

Introduced by Senator Runner

January 10, 2006

An act to amend Sections 17070.15, 17070.35, 17070.40, 17070.43, 17070.51, 17070.99, 17072.10, 17072.30, 17072.32, 17074.32, 17078.52, 17078.53, 17078.54, 17078.56, and 17078.58 of, to add Section 35502 to, to add Article 13 (commencing with Section 17078.70) and Article 14 (commencing with Section 17078.80) to Chapter 12.5 of Part 10 of, and to add Part 68.3 (commencing with Section 101000), Part 68.4 (commencing with Section 102000), Part 68.5 (commencing with Section 103000), Part 68.6 (commencing with Section 104000) and, Part 68.7 (commencing with Section 105000) to, the Education Code, relating to education facilities, and by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1164, as introduced, Runner. Education facilities bond acts.

(1) Existing law, the Leroy F. Greene School Facilities Act of 1998, requires the State Allocation Board to allocate to applicant school districts, prescribed per-unhoused-pupil state funding for construction and modernization of school facilities, including hardship funding, and supplemental funding for site development and acquisition.

This bill would enact the Kindergarten-University Public Education Facilities Bond Act of 2006, to become operative only if approved by the voters at a regularly scheduled election, and would provide for its submission to the voters at that election. The bill would also enact the Kindergarten and Grades 1 to 12 Public Education Facilities Bond Act of 2008, the Kindergarten-University Public Education Facilities Bond

Act of 2010, the Kindergarten-University Public Education Facilities Bond Act of 2012, and the Kindergarten and Grades 1 to 12 Public Education Facilities Bond Act of 2014, to become operative only if approved by the voters at specified statewide elections, and would provide for the submission of those acts to the voters at those elections.

The bond acts, if approved by the voters, would provide for the issuance of state general obligation bonds in specified amounts, to provide school facilities aid to school districts, county superintendents of schools, and county boards of education, and to provide aid for California public higher education facilities, as specified.

The bill would make conforming, technical changes in related provisions of existing law.

(2) Existing law provides for the reorganization of school districts.

This bill would exempt an action to reorganize a school district under these provisions of existing law from being considered a “project,” for purposes of the California Environmental Quality Act.

(3) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 17070.15 of the Education Code is
2 amended to read:

3 17070.15. The following terms, wherever used or referred to
4 in this chapter, shall have the following meanings, respectively,
5 unless a different meaning appears from the context:

6 (a) “Apportionment” means a reservation of funds for the
7 purpose of eligible new construction, modernization, or hardship
8 approved by the board for an applicant school district.

9 (b) “Attendance area” means the geographical area serving an
10 existing high school and those junior high schools and
11 elementary schools included therein.

12 (c) “Board” means the State Allocation Board as established
13 by Section 15490 of the Government Code.

14 (d) “Committee” means the State School Building Finance
15 Committee established pursuant to Section 15909.

(e) “County fund” means a county school facilities fund established pursuant to Section 17070.43.

(f) “Department” means the Department of General Services.

(g) “Fund” means the applicable 1998 State School Facilities Fund, the 2002 State School Facilities Fund, ~~or~~ the 2004 State School Facilities Fund, *the 2006 State School Facilities Fund, the 2008 State School Facilities Fund, the 2010 State School Facilities Fund, the 2012 State School Facilities Fund, or the 2014 State School Facilities Fund* established pursuant to Section 17070.40.

(h) “Good repair” has the same meaning as specified in subdivision (d) of Section 17002.

(i) “Modernization” means any modification of a permanent structure that is at least 25 years old, or in the case of a portable classroom, that is at least 20 years old, that will enhance the ability of the structure to achieve educational purposes.

(j) “Portable classroom” means a classroom building of one or more stories that is designed and constructed to be relocatable and transportable over public streets, and with respect to a single story portable classroom, is designed and constructed for relocation without the separation of the roof or floor from the building and when measured at the most exterior walls, has a floor area not in excess of 2,000 square feet.

(k) “Property” includes all property, real, personal or mixed, tangible or intangible, or any interest therein necessary or desirable for carrying out the purposes of this chapter.

(l) “School building capacity” means the capacity of a school building to house pupils.

(m) “School district” means a school district or a county office of education. For purposes of determining eligibility under this chapter, “school district” may also mean a high school attendance area.

SEC. 2. Section 17070.35 of the Education Code is amended to read:

17070.35. (a) In addition to all other powers and duties as are granted to the board by this chapter, other statutes, or the California Constitution, the board shall do all of the following:

(1) Adopt rules and regulations, pursuant to the rulemaking provisions of the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title

1 2 of the Government Code, for the administration of this chapter.
2 However, the board shall have no authority to set the level of the
3 fees of any architect, structural engineer, or other design
4 professional on any project. The initial regulations adopted
5 pursuant to this chapter shall be adopted as emergency
6 regulations, and the circumstances related to the initial adoption
7 are hereby deemed to constitute an emergency for this purpose.
8 ~~The initial regulations adopted pursuant to this chapter shall be~~
9 ~~adopted by November 4, 1998. If the initial regulations are not~~
10 ~~adopted by that date, the board shall report to the Legislature by~~
11 ~~that date, explaining the reasons for the delay.~~

12 (2) Establish and publish any procedures and policies in
13 connection with the administration of this chapter as it deems
14 necessary.

15 (3) Determine the eligibility of school districts to receive
16 apportionments under this chapter.

17 (4) Apportion funds to eligible school districts under this
18 chapter.

19 (b) The board shall review and amend its regulations as
20 necessary to adjust its administration of this chapter to conform
21 ~~with the act that amended this section to add this subdivision~~
22 *Chapter 33 of the Statutes of 2002.* Regulations adopted pursuant
23 to this subdivision shall be adopted by November 5, 2002, and
24 shall be adopted as emergency regulations in accordance with the
25 rulemaking provisions of the Administrative Procedure Act
26 (Chapter 3.5 (commencing with Section 11340) of Part 1 of
27 Division 3 of Title 2 of the Government Code). The adoption of
28 any emergency regulation pursuant to this subdivision filed with
29 the Office of Administrative Law shall be deemed to be an
30 emergency and necessary for the immediate preservation of the
31 public peace, health and safety, or general welfare.
32 Notwithstanding subdivision (e) of Section 11346.1 of the
33 Government Code, any emergency regulation adopted pursuant
34 to this section shall remain in effect for no more than 365 days
35 unless the board has complied with Sections 11346.2 to 11348,
36 inclusive, of the Government Code.

37 *(c) The board shall review and amend its regulations as*
38 *necessary to adjust its administration of this chapter to conform*
39 *with the act that amended this section to add this subdivision.*
40 *Regulations adopted pursuant to this subdivision shall be*

adopted by January 1, 2007, and shall be adopted as emergency regulations in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The adoption of any emergency regulation pursuant to this subdivision filed with the Office of Administrative Law shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Notwithstanding subdivision (e) of Section 11346.1 of the Government Code, any emergency regulation adopted pursuant to this section shall remain in effect for no more than 365 days unless the board has complied with Sections 11346.2 to 11348, inclusive, of the Government Code.

SEC. 3. Section 17070.40 of the Education Code is amended to read:

17070.40. (a) (1) A fund is hereby established in the State Treasury to be known as the 1998 State School Facilities Fund. All money in the fund, including any money deposited in that fund from any source whatsoever, and notwithstanding Section 13340 of the Government Code, is hereby continuously appropriated without regard to fiscal years for expenditure pursuant to this chapter.

(2) The State Allocation Board may apportion funds to school districts for the purposes of this chapter from funds transferred to the 1998 State School Facilities Fund from any source.

(3) The board may make apportionments in amounts not exceeding those funds on deposit in the 1998 State School Facilities Fund, and any amount of bonds authorized by the committee, but not yet sold by the Treasurer.

(4) The board may make disbursements pursuant to any apportionment made from any funds in the 1998 State School Facilities Fund, irrespective of whether there exists at the time of the disbursement an amount in the 1998 State School Facilities Fund sufficient to permit payment in full of all apportionments previously made. However, no disbursement shall be made from any funds required by law to be transferred to the General Fund.

(b) (1) A fund is hereby established in the State Treasury to be known as the 2002 State School Facilities Fund. All money in the fund, including any money deposited in that fund from any

1 source whatsoever, and notwithstanding Section 13340 of the
2 Government Code, is hereby continuously appropriated without
3 regard to fiscal years for expenditure pursuant to this chapter.

4 (2) The State Allocation Board may apportion funds to school
5 districts for the purposes of this chapter from funds transferred to
6 the 2002 State School Facilities Fund from any source.

7 (3) The board may make apportionments in amounts not
8 exceeding those funds on deposit in the 2002 State School
9 Facilities Fund, and any amount of bonds authorized by the
10 committee, but not yet sold by the Treasurer.

11 (4) The board may make disbursements pursuant to any
12 apportionment made from any funds in the 2002 State School
13 Facilities Fund, irrespective of whether there exists at the time of
14 the disbursement an amount in the 2002 State School Facilities
15 Fund sufficient to permit payment in full of all apportionments
16 previously made. However, no disbursement shall be made from
17 any funds required by law to be transferred to the General Fund.

18 (c) (1) A fund is hereby established in the State Treasury to be
19 known as the 2004 State School Facilities Fund. All money in the
20 fund, including any money deposited in that fund from any
21 source whatsoever, and notwithstanding Section 13340 of the
22 Government Code, is hereby continuously appropriated without
23 regard to fiscal years for expenditure pursuant to this chapter.

24 (2) The State Allocation Board may apportion funds to school
25 districts for the purposes of this chapter from funds transferred to
26 the 2004 State School Facilities Fund from any source.

27 (3) The board may make apportionments in amounts not
28 exceeding those funds on deposit in the 2004 State School
29 Facilities Fund, and any amount of bonds authorized by the
30 committee, but not yet sold by the Treasurer.

31 (4) The board may make disbursements pursuant to any
32 apportionment made from any funds in the 2004 State School
33 Facilities Fund, irrespective of whether there exists at the time of
34 the disbursement an amount in the 2004 State School Facilities
35 Fund sufficient to permit payment in full of all apportionments
36 previously made. However, no disbursement shall be made from
37 any funds required by law to be transferred to the General Fund.

38 (d) (1) *A fund is hereby established in the State Treasury, to*
39 *be known as the 2006 State School Facilities Fund. All money in*
40 *the fund, including any money deposited in that fund from any*

1 source whatsoever, and notwithstanding Section 13340 of the
2 Government Code, is hereby continuously appropriated without
3 regard to fiscal years for expenditure pursuant to this chapter.

4 (2) The State Allocation Board may apportion funds to school
5 districts for the purposes of this chapter from funds transferred
6 to the 2006 State School Facilities Fund from any source.

7 (3) The board may make apportionments in amounts not
8 exceeding those funds on deposit in the 2006 State School
9 Facilities Fund, and any amount of bonds authorized by the
10 committee, but not yet sold by the Treasurer.

11 (4) The board may make disbursements pursuant to any
12 apportionment made from any funds in the 2006 State School
13 Facilities Fund, irrespective of whether there exists at the time of
14 the disbursement an amount in the 2006 State School Facilities
15 Fund sufficient to permit payment in full of all apportionments
16 previously made. However, no disbursement shall be made from
17 any funds required by law to be transferred to the General Fund.

18 (e) (1) A fund is hereby established in the State Treasury, to
19 be known as the 2008 State School Facilities Fund. All money in
20 the fund, including any money deposited in that fund from any
21 source whatsoever, and notwithstanding Section 13340 of the
22 Government Code, is hereby continuously appropriated without
23 regard to fiscal years for expenditure pursuant to this chapter.

24 (2) The State Allocation Board may apportion funds to school
25 districts for the purposes of this chapter from funds transferred
26 to the 2008 State School Facilities Fund from any source.

27 (3) The board may make apportionments in amounts not
28 exceeding those funds on deposit in the 2008 State School
29 Facilities Fund, and any amount of bonds authorized by the
30 committee, but not yet sold by the Treasurer.

31 (4) The board may make disbursements pursuant to any
32 apportionment made from any funds in the 2008 State School
33 Facilities Fund, irrespective of whether there exists at the time of
34 the disbursement an amount in the 2008 State School Facilities
35 Fund sufficient to permit payment in full of all apportionments
36 previously made. However, no disbursement shall be made from
37 any funds required by law to be transferred to the General Fund.

38 (f) (1) A fund is hereby established in the State Treasury, to be
39 known as the 2010 State School Facilities Fund. All money in the
40 fund, including any money deposited in that fund from any source

1 *whatsoever, and notwithstanding Section 13340 of the*
2 *Government Code, is hereby continuously appropriated without*
3 *regard to fiscal years for expenditure pursuant to this chapter.*

4 *(2) The State Allocation Board may apportion funds to school*
5 *districts for the purposes of this chapter from funds transferred*
6 *to the 2010 State School Facilities Fund from any source.*

7 *(3) The board may make apportionments in amounts not*
8 *exceeding those funds on deposit in the 2010 State School*
9 *Facilities Fund, and any amount of bonds authorized by the*
10 *committee, but not yet sold by the Treasurer.*

11 *(4) The board may make disbursements pursuant to any*
12 *apportionment made from any funds in the 2010 State School*
13 *Facilities Fund, irrespective of whether there exists at the time of*
14 *the disbursement an amount in the 2010 State School Facilities*
15 *Fund sufficient to permit payment in full of all apportionments*
16 *previously made. However, no disbursement shall be made from*
17 *any funds required by law to be transferred to the General Fund.*

18 *(g) (1) A fund is hereby established in the State Treasury, to*
19 *be known as the 2012 State School Facilities Fund. All money in*
20 *the fund, including any money deposited in that fund from any*
21 *source whatsoever, and notwithstanding Section 13340 of the*
22 *Government Code, is hereby continuously appropriated without*
23 *regard to fiscal years for expenditure pursuant to this chapter.*

24 *(2) The State Allocation Board may apportion funds to school*
25 *districts for the purposes of this chapter from funds transferred*
26 *to the 2012 State School Facilities Fund from any source.*

27 *(3) The board may make apportionments in amounts not*
28 *exceeding those funds on deposit in the 2012 State School*
29 *Facilities Fund, and any amount of bonds authorized by the*
30 *committee, but not yet sold by the Treasurer.*

31 *(4) The board may make disbursements pursuant to any*
32 *apportionment made from any funds in the 2012 State School*
33 *Facilities Fund, irrespective of whether there exists at the time of*
34 *the disbursement an amount in the 2012 State School Facilities*
35 *Fund sufficient to permit payment in full of all apportionments*
36 *previously made. However, no disbursement shall be made from*
37 *any funds required by law to be transferred to the General Fund.*

38 *(h) (1) A fund is hereby established in the State Treasury, to*
39 *be known as the 2014 State School Facilities Fund. All money in*
40 *the fund, including any money deposited in that fund from any*

1 *source whatsoever, and notwithstanding Section 13340 of the*
2 *Government Code, is hereby continuously appropriated without*
3 *regard to fiscal years for expenditure pursuant to this chapter.*

4 *(2) The State Allocation Board may apportion funds to school*
5 *districts for the purposes of this chapter from funds transferred*
6 *to the 2014 State School Facilities Fund from any source.*

7 *(3) The board may make apportionments in amounts not*
8 *exceeding those funds on deposit in the 2014 State School*
9 *Facilities Fund, and any amount of bonds authorized by the*
10 *committee, but not yet sold by the Treasurer.*

11 *(4) The board may make disbursements pursuant to any*
12 *apportionment made from any funds in the 2014 State School*
13 *Facilities Fund, irrespective of whether there exists at the time of*
14 *the disbursement an amount in the 2014 State School Facilities*
15 *Fund sufficient to permit payment in full of all apportionments*
16 *previously made. However, no disbursement shall be made from*
17 *any funds required by law to be transferred to the General Fund.*

18 SEC. 4. Section 17070.43 of the Education Code is amended
19 to read:

20 17070.43. (a) A county school facilities fund is hereby
21 established in the county treasury within each county for each
22 school district in the county.

23 (b) The board may from time to time authorize the Controller
24 to transfer any funds that the board may deem necessary from the
25 1998 State School Facilities Fund, the 2002 State School
26 Facilities Fund,~~or~~ the 2004 State School Facilities Fund, *the*
27 *2006 State School Facilities Fund, the 2008 State School*
28 *Facilities Fund, the 2010 State School Facilities Fund, the 2012*
29 *State School Facilities Fund, or the 2014 State School Facilities*
30 *Fund, as the case may be, to the corresponding county fund in*
31 *the county treasury. Interest on all funds deposited in the county*
32 *fund shall be retained in that fund.*

33 (c) Funds may be expended from the county fund by the
34 recipient school district for qualifying school facilities
35 expenditures set forth in Sections 17072.35 and 17074.25.

36 SEC. 5. Section 17070.51 of the Education Code is amended
37 to read:

38 17070.51. (a) If any certified eligibility or funding
39 application related information is found to have been falsely
40 certified by school districts, architects, or design professionals,

hereinafter referred to as a material inaccuracy, the Office of Public School Construction shall notify the board.

(b) The board shall impose the following penalties if an apportionment and fund release has been made based upon information in the project application or related materials that constitutes a material inaccuracy.

(1) Pursuant to a repayment schedule approved by the board of no more than five years, the school district shall repay to the board, for deposit into the 1998 State School Facilities Fund, the 2002 State School Facilities Fund, ~~or the 2004 State School Facilities Fund,~~ *the 2006 State School Facilities Fund, the 2008 State School Facilities Fund, the 2010 State School Facilities Fund, the 2012 State School Facilities Fund, or the 2014 State School Facilities Fund*, as the case may be, an amount proportionate to the additional funding received as a result of the material inaccuracy including interest at the rate paid on moneys in the Pooled Money Investment Account or at the highest rate of interest for the most recent issue of state general obligation bonds as established pursuant to the Chapter 4 (commencing with Section 16720), of Part 3 of Division 4 of Title 2 of the Government Code, whichever is greater.

(2) The board shall prohibit the school district from self-certifying certain project information for any subsequent applications for project funding for a period of up to five years following the date of the finding of a material inaccuracy or until the district's repayment of the entire amount owed under paragraph (1). Although a school district that is subject to this paragraph may not self-certify, the school district shall not be prohibited from applying for state funding under this chapter. The board shall establish an alternative method for state or independent certification of compliance that shall be applicable in these cases. The process shall include, but shall not be limited to, procedures for payment by the school district of any increased costs associated with the alternative certification process.

(c) For school districts found to have provided material inaccuracies when a funding apportionment has occurred, but no fund release has been made, the board shall direct its staff to reduce the apportionment as necessary to reflect the actual nature of the project and to disregard the inaccurate information or material, and paragraph (2) of subdivision (b) shall apply.

(d) For those school districts found to have provided material inaccuracies when no funding apportionment or fund release has been made, the inaccurate information or materials shall not be considered, and paragraph (2) of subdivision (b) shall apply. The project may continue if the application, minus the inaccurate *information or materials*, is still complete.

SEC. 6. Section 17070.99 of the Education Code is amended to read:

17070.99. (a) The board shall conduct an evaluation on the cost of new construction and modernization of small high schools in conjunction with the pilot program established pursuant to subdivision (c) of Section 17072.10 *and subdivision (a) of Section 17074.32, as it read on January 1, 2005.*

(b) The State Department of Education shall conduct an evaluation that focuses on pupil outcomes, including, but not limited to, academic achievement and college attendance rates, at the small high schools constructed pursuant to subdivision (c) of Section 17072.10, *or reconfigured pursuant to subdivision (a) of Section 17074.32, as it read on January 1, 2005,* and on the reasons school districts do not currently opt to build small high schools.

(c) The evaluations required pursuant to subdivisions (a) and (b) shall be completed no later than ~~two~~ *four* years after the opening of the last small high school constructed pursuant to subdivision (c) of Section 17072.10, *or reconfigured pursuant to subdivision (a) of Section 17074.32, as it read on January 1, 2005.*

(d) The evaluations conducted pursuant to subdivisions (a) and (b) shall be used to inform the direction of future school facilities construction and related bond measures.

(e) *As a condition of receiving funds pursuant to subdivision (c) of Section 17072.10 or Section 17074.32, school districts shall do both of the following:*

(1) *Submit to the Office of Public School Construction an evaluation of the cost of new construction and modernization of small high schools upon completion of the second complete school year after the opening of each school in conjunction with the pilot program.*

(2) *Submit to the State Department of Education an interim evaluation of the pupil outcomes at small high schools upon*

1 *completion of the second complete school year after occupancy*
2 *of the project, and a final evaluation no later than two complete*
3 *school years after the opening of the last small high school*
4 *constructed or reconfigured in conjunction with the pilot*
5 *program.*

6 SEC. 7. Section 17072.10 of the Education Code, as amended
7 by Section 4 of Chapter 894 of the Statutes of 2004, is amended
8 to read:

9 17072.10. (a) The board shall determine the applicant's
10 maximum total new construction grant eligibility by multiplying
11 the number of unhoused pupils calculated pursuant to Article 3
12 (commencing with Section 17071.75) in each school district with
13 an approved application for new construction, by the
14 per-unhoused-pupil grant as follows:

15 (1) Five thousand two hundred dollars (\$5,200) for elementary
16 school pupils.

17 (2) Five thousand five hundred dollars (\$5,500) for middle
18 school pupils.

19 (3) Seven thousand two hundred dollars (\$7,200) for high
20 school pupils.

21 (b) The board shall annually adjust the per-unhoused-pupil
22 apportionment to reflect construction cost changes, as set forth in
23 the statewide cost index for class B construction as determined
24 by the board.

25 (c) (1) Commencing January 1, 2006, notwithstanding
26 subdivisions (a) and (b), for a small high school, the maximum
27 total new construction grant shall be adjusted to reflect 120
28 percent of the amounts determined pursuant to subdivisions (a)
29 and (b). The board shall adopt regulations, in consultation with
30 the Superintendent of Public Instruction, to establish criteria to
31 ensure that this adjustment is available to multiple small high
32 schools on a pilot program basis and only for those applicant
33 school districts that propose to build a small high school as part
34 of an academic reform strategy that focuses on the positive
35 outcomes that small high schools encourage. The board shall set
36 aside a total amount of twenty million dollars (\$20,000,000) for
37 *this the purpose of funding the increase in the*
38 *per-unhoused-pupil grant amount and the increase in the state's*
39 *share of the project, as specified in subdivision (b) of Section*
40 *17072.32, from the proceeds of state bonds approved by the*

1 voters pursuant to the Kindergarten-University Public Education
2 Facilities Bond Act of 2002 (Part 68.1 (commencing with
3 Section 100600)) and the Kindergarten-University Public
4 Education Facilities Bond Act of 2004 (Part 68.2 (commencing
5 with Section 100800)). The board shall also adopt regulations, in
6 consultation with the Superintendent of Public Instruction, to
7 implement the pilot program, including, but not limited to,
8 allowing a sufficient filing period for applications in order to
9 ensure that the pilot program encompasses school districts from
10 the northern, southern, and central regions of the state and from
11 urban, suburban, and rural areas so that the pilot program
12 participants are broadly representative of the state.

13 (2) Paragraph (1) does not apply in those circumstances where
14 a small high school would otherwise have been built because of
15 sparse population in the geographical area.

16 (3) *The enrollment of any small high school constructed*
17 *pursuant to paragraph (1) may not exceed 500 pupils prior to the*
18 *date of completion of the evaluations conducted pursuant to*
19 *Section 17070.99, or on any date within the five-year period*
20 *following occupancy of the project, whichever date is later.*

21 (d) The board may adopt regulations to be effective until July
22 1, 2000, that adjust the amounts identified in this section for
23 qualifying individuals with exceptional needs, as defined in
24 Section 56026. The regulations shall be amended after July 1,
25 2000, in consideration of the recommendations provided
26 pursuant to Section 17072.15.

27 (e) The board may establish a single supplemental
28 per-unhoused-pupil grant in addition to the amounts specified in
29 subdivision (a) based on the statewide average marginal
30 difference in costs in instances where a project requires
31 multilevel school facilities due to limited acreage. ~~The district's~~
32 *application of the school district* shall demonstrate that a practical
33 alternative site is not available.

34 (f) For a school district having an enrollment of 2,500 or less
35 for the prior fiscal year, the board may approve a supplemental
36 apportionment of up to seven thousand five hundred dollars
37 (\$7,500) for any new construction project assistance. The amount
38 of the supplemental apportionment authorized pursuant to this
39 subdivision shall be adjusted in 2001 and every year thereafter by

1 an amount equal to the percentage adjustment for class B
2 construction.

3 (g) This section shall remain in effect only until January 1,
4 ~~2008~~ 2010, and as of that date is repealed, unless a later enacted
5 statute that is enacted before January 1, ~~2008~~ 2010, deletes or
6 extends that date.

7 SEC. 8. Section 17072.10 of the Education Code, as added by
8 Section 5 of Chapter 894 of the Statutes of 2004, is amended to
9 read:

10 17072.10. (a) The board shall determine the applicant's
11 maximum total new construction grant eligibility by multiplying
12 the number of unhoused pupils calculated pursuant to Article 3
13 (commencing with Section 17071.75) in each school district with
14 an approved application for new construction, by the
15 per-unhoused-pupil grant as follows:

16 (1) Five thousand two hundred dollars (\$5,200) for elementary
17 school pupils.

18 (2) Five thousand five hundred dollars (\$5,500) for middle
19 school pupils.

20 (3) Seven thousand two hundred dollars (\$7,200) for high
21 school pupils.

22 (b) The board shall annually adjust the per-unhoused-pupil
23 apportionment to reflect construction cost changes, as set forth in
24 the statewide cost index for class B construction as determined
25 by the board.

26 (c) Any regulations adopted by the board prior to July 1, 2000,
27 that adjust the amounts identified in this section for qualifying
28 individuals with exceptional needs, as defined in Section 56026,
29 as amended after July 1, 2000, in consideration of the
30 recommendations provided pursuant to Section 17072.15, shall
31 continue in effect.

32 (d) The board may establish a single supplemental
33 per-unhoused-pupil grant in addition to the amounts specified in
34 subdivision (a) based on the statewide average marginal
35 difference in costs in instances where a project requires
36 multilevel school facilities due to limited acreage. The ~~district's~~
37 application of the school district shall demonstrate that a practical
38 alternative site is not available.

39 (e) For a school district having an enrollment of 2,500 or less
40 for the prior fiscal year, the board may approve a supplemental

1 apportionment of up to seven thousand five hundred dollars
2 (\$7,500) for any new construction project assistance. The amount
3 of the supplemental apportionment authorized pursuant to this
4 subdivision shall be adjusted in ~~2008~~ 2010 and every year
5 thereafter by an amount equal to the percentage adjustment for
6 class B construction.

7 (f) This section ~~is~~ *shall become* operative on January 1, ~~2008~~
8 2010.

9 SEC. 9. Section 17072.30 of the Education Code, as amended
10 by Section 6 of Chapter 894 of the Statutes of 2004, is amended
11 to read:

12 17072.30. (a) Subject to the availability of funds, and to the
13 determination of priority pursuant to Section 17072.25, if
14 applicable, the board shall apportion funds to an eligible school
15 district only upon the approval of the project by the Department
16 of General Services pursuant to the Field Act, as defined in
17 Section 17281, and certification by the school district that the
18 required 50 percent matching funds from local sources have been
19 expended by the district for the project, or have been deposited in
20 the county fund, or will be expended by the district by the time
21 the project is completed, in an amount at least equal to the
22 proposed apportionment pursuant to this chapter, prior to release
23 of the state funds.

24 (b) Notwithstanding subdivision (a), subject to the availability
25 of funds, the board shall, for a project to construct a small high
26 school pursuant to subdivision (c) of Section 17072.10, apportion
27 funds to an eligible school district only upon approval of the
28 project by the Department of General Services pursuant to the
29 Field Act, as defined in Section 17281, and certification by the
30 school district that the required 40 percent matching funds *of the*
31 *project costs, and 50 percent matching funds of the site*
32 *acquisition costs*, from local sources have been expended by the
33 district for the project, or have been deposited in the county fund,
34 or will be expended by the district by the time the project is
35 completed, in an amount at least equal to 40 percent of the ~~total~~
36 *project costs, and 50 percent of the site acquisition costs*,
37 pursuant to this chapter, prior to release of the state funds.

38 (c) *For the purposes of subdivision (b), the project costs shall*
39 *include, but are not limited to, all funding provided under this*
40 *chapter, less funding provided for site acquisition costs.*

1 ~~(e)~~—

2 ~~(d)~~ This section shall remain in effect only until January 1,
3 ~~2008~~ 2010, and as of that date is repealed, unless a later enacted
4 statute that is enacted before January 1, ~~2008~~ 2010, deletes or
5 extends that date.

6 SEC. 10. Section 17072.30 of the Education Code, as added
7 by Section 7 of Chapter 894 of the Statutes of 2004, is amended
8 to read:

9 17072.30. (a) Subject to the availability of funds, and to the
10 determination of priority pursuant to Section 17072.25, if
11 applicable, the board shall apportion funds to an eligible school
12 district only upon the approval of the project by the Department
13 of General Services pursuant to the Field Act, as defined in
14 Section 17281, and certification by the school district that the
15 required 50 percent matching funds from local sources have been
16 expended by the district for the project, or have been deposited in
17 the county fund, or will be expended by the district by the time
18 the project is completed, in an amount at least equal to the
19 proposed apportionment pursuant to this chapter, prior to release
20 of the state funds.

21 (b) This section ~~is~~ *shall become* operative on January 1, ~~2008~~
22 2010.

23 SEC. 11. Section 17072.32 of the Education Code, as
24 amended by Section 8 of Chapter 894 of the Statutes of 2004, is
25 amended to read:

26 17072.32. (a) For any project that has received an
27 apportionment pursuant to subdivision (a) of Section 17072.30,
28 funding shall be released in amounts equal to the amount of the
29 local match upon certification by the school district that the
30 school district has entered into a binding contract for completion
31 of the approved project.

32 (b) Notwithstanding subdivision (a), for any project for
33 construction of a small high school, pursuant to subdivision (c) of
34 Section 17072.10, that has received an apportionment pursuant to
35 subdivision (b) of Section 17072.30, funding shall be released in
36 amounts equal to 60 percent of the ~~total~~ project costs *and 50*
37 *percent of the site acquisition costs* upon certification by the
38 school district that the school district has entered into a binding
39 contract for completion of the approved project.

1 (c) *For the purposes of subdivision (b), the project costs shall*
2 *include, but are not limited to, all funding provided under this*
3 *chapter, less funding provided for site acquisition costs.*

4 ~~(e)~~

5 (d) This section shall remain in effect only until January 1,
6 ~~2008~~ 2010, and as of that date is repealed, unless a later enacted
7 statute that is enacted before January 1, ~~2008~~ 2010, deletes or
8 extends that date.

9 SEC. 12. Section 17072.32 of the Education Code, as added
10 by Section 9 of Chapter 894 of the Statutes of 2004, is amended
11 to read:

12 17072.32. (a) For any project that has received an
13 apportionment pursuant to Section 17072.30, funding shall be
14 released in amounts equal to the amount of the local match upon
15 certification by the school district that the school district has
16 entered into a binding contract for completion of the approved
17 project.

18 (b) This section ~~is~~ *shall become operative on* January 1, ~~2008~~
19 ~~2010~~.

20 SEC. 13. Section 17074.32 of the Education Code is amended
21 to read:

22 17074.32. (a) A high school with an enrollment of 1,000 or
23 more pupils that is seeking to reconfigure into two or more small
24 high schools, as defined in subdivision (m) of Section 17070.15,
25 shall be eligible for additional modernization funding to assist
26 with costs generated by the reconfiguration. Reconfiguration can
27 specifically allow some limited new construction necessary to
28 accommodate the reconfiguration. The board shall set aside a
29 total amount of five million dollars (\$5,000,000), from the
30 proceeds of state bonds approved by the voters pursuant to the
31 Kindergarten-University Public Education Facilities Bond Act of
32 2002 (Part 68.1 (commencing with Section 100600)) and the
33 Kindergarten-University Public Education Facilities Bond Act of
34 2004 (Part 68.2 (commencing with Section 100800)), for
35 purposes of this additional modernization funding and no single
36 project shall be granted, in the aggregate, more than five hundred
37 thousand dollars (\$500,000).

38 (b) *The enrollment of any small high school reconfigured*
39 *pursuant to subdivision (a) may not exceed 500 pupils prior to*
40 *the date of completion of the evaluations conducted pursuant to*

1 *Section 17070.99, or on any date within the five-year period*
2 *following occupancy of the project, whichever date is later.*

3 ~~(b)~~

4 *(c)* The board shall adopt regulations to implement this
5 section.

6 ~~(e)~~

7 *(d)* This section shall remain in effect only until January 1,
8 ~~2008~~ *2010*, and as of that date is repealed, unless a later enacted
9 statute that is enacted before January 1, ~~2008~~ *2010*, deletes or
10 extends that date.

11 SEC. 14. Section 17078.52 of the Education Code is amended
12 to read:

13 17078.52. (a) There is hereby established the Charter
14 Schools Facilities Program to provide funding to qualifying
15 entities for the purpose of establishing school facilities for charter
16 school pupils.

17 (b) *(1)* The 2002 Charter School Facilities Account is hereby
18 established within the 2002 State School Facilities Fund
19 established pursuant to subdivision (b) of Section 17070.40. The
20 proceeds of bonds, as set forth in subparagraph (A) of paragraph
21 (1) of subdivision (a) of Section 100620, shall be deposited into
22 the 2002 Charter School Facilities Account for the purposes of
23 this article. Notwithstanding Section 13340 of the Government
24 Code, funds deposited into the account are hereby continuously
25 appropriated for the purposes of this article.

26 ~~(e)~~

27 *(2)* The 2004 Charter School Facilities Account is hereby
28 established within the 2004 State School Facilities Fund
29 established pursuant to subdivision (c) of Section 17070.40. The
30 proceeds of bonds, as set forth in subparagraph (A) of paragraph
31 (1) of subdivision (a) of Section 100820, if approved by the
32 voters, shall be deposited into the 2004 Charter School Facilities
33 Account for the purposes of this article. Notwithstanding Section
34 13340 of the Government Code, funds deposited into the account
35 are hereby continuously appropriated for the purposes of this
36 article.

37 *(3)* *The 2006 Charter School Facilities Account is hereby*
38 *established within the 2006 State School Facilities Fund*
39 *established pursuant to subdivision (d) of Section 17070.40. The*
40 *proceeds of bonds, as set forth in paragraph (3) of subdivision*

1 (a) of Section 101020, if approved by the voters, shall be
2 deposited into the 2006 Charter School Facilities Account for the
3 purposes of this article. Notwithstanding Section 13340 of the
4 Government Code, funds deposited into the account are hereby
5 continuously appropriated for the purposes of this article.

6 (4) The 2010 Charter School Facilities Account is hereby
7 established within the 2010 State School Facilities Fund
8 established pursuant to subdivision (f) of Section 17070.40. The
9 proceeds of bonds, as set forth in paragraph (3) of subdivision
10 (a) of Section 103020, if approved by the voters, shall be
11 deposited into the 2010 Charter School Facilities Account for the
12 purposes of this article. Notwithstanding Section 13340 of the
13 Government Code, funds deposited into the account are hereby
14 continuously appropriated for the purposes of this article.

15 (5) The 2012 Charter School Facilities Account is hereby
16 established within the 2012 State School Facilities Fund
17 established pursuant to subdivision (g) of Section 17070.40. The
18 proceeds of bonds, as set forth in paragraph (3) of subdivision
19 (a) of Section 104020, if approved by the voters, shall be
20 deposited into the 2012 Charter School Facilities Account for the
21 purposes of this article. Notwithstanding Section 13340 of the
22 Government Code, funds deposited into the account are hereby
23 continuously appropriated for the purposes of this article.

24 (6) The 2014 Charter School Facilities Account is hereby
25 established within the 2014 State School Facilities Fund
26 established pursuant to subdivision (h) of Section 17070.40. The
27 proceeds of bonds, as set forth in paragraph (3) of subdivision
28 (a) of Section 105020, if approved by the voters, shall be
29 deposited into the 2014 Charter School Facilities Account for the
30 purposes of this article. Notwithstanding Section 13340 of the
31 Government Code, funds deposited into the account are hereby
32 continuously appropriated for the purposes of this article.

33 ~~(d)~~

34 (c) As used in this article, the following terms have the
35 following meanings:

36 (1) “Authority” means the California School Finance
37 Authority established pursuant to Section 17172.

38 (2) “Account” means the ~~2002 Charter School Facilities~~
39 ~~Account established within the 2002 State School Facilities Fund~~
40 ~~pursuant to subdivision (b) or the 2004 Charter School Facilities~~

1 ~~Account established within the 2004 State School Facilities Fund~~
2 ~~pursuant to pertinent account established under subdivision (e)~~
3 ~~(b).~~

4 (3) “Preliminary apportionment” means an apportionment
5 made for eligible applicants under this article in advance of full
6 compliance with all of the application requirements otherwise
7 required for an apportionment pursuant to this chapter. The
8 process for making preliminary apportionments under this article
9 shall be substantially identical to the process established for
10 critically overcrowded schools pursuant to Sections 17078.22 to
11 17078.30, inclusive.

12 (4) “Financially sound” means a charter school that has
13 demonstrated, over a period of time determined by the authority,
14 but not less than 24 months immediately preceding the
15 submission of the application, that it has operated as a financially
16 capable concern in California, as measured by criteria established
17 by the authority. A charter school that cannot demonstrate that it
18 has been a financially capable concern for at least 24 months
19 immediately preceding the submission of the application, due
20 solely to not having operated as a charter school for at least 24
21 months, may meet this 24-month requirement if the charter
22 school is managed by staff who have at least 24 months of
23 documented experience, as measured by criteria established by
24 the authority and the charter school has an educational plan,
25 financial resources, facilities expertise, management expertise,
26 and has been a financially capable concern for at least 24 months,
27 as established by the authority.

28 ~~(e)~~

29 (d) The State Allocation Board shall, from time to time,
30 transfer funds within the account to the California School
31 Finance Authority Fund for the purposes of this article pursuant
32 to the request of the authority as set forth in this article.

33 SEC. 15. Section 17078.53 of the Education Code is amended
34 to read:

35 17078.53. (a) The initial preliminary applications for projects
36 to be funded pursuant to this article shall be submitted to the
37 board by March 31, 2003. *Thereafter, the board may establish*
38 *subsequent application periods as needed.*

39 ~~(b) Thereafter, the board may establish subsequent application~~
40 ~~periods as needed.~~

1 ~~(e)~~

2 ~~(b)~~ Preliminary applications may be submitted by eligible
3 applicants as set forth in this article by either of the following:

4 (1) A school district on behalf of a charter school that is
5 physically located within the geographical jurisdiction of the
6 school district.

7 (2) A charter school on its own behalf if the charter school has
8 notified both the superintendent and the governing board of the
9 school district in which it is physically located of its intent to do
10 so in writing at least 30 days prior to submission of the
11 preliminary application.

12 ~~(d)~~

13 ~~(c)~~ A preliminary application ~~must~~ *shall* demonstrate either of
14 the following:

15 (1) That a charter petition for the school for which the
16 application is submitted has been granted by the appropriate
17 chartering entity prior to the application deadline determined by
18 the board.

19 (2) That an already existing charter has been amended to
20 include the school for which the application is submitted and
21 approved by the appropriate chartering entity prior to the
22 deadline determined by the board.

23 ~~(d)~~ *Prior to submitting a preliminary application, the school*
24 *district and charter school shall consider existing school district*
25 *facilities in accordance with Section 47614.*

26 (e) The board, after consideration of the recommendations of
27 the authority regarding whether a charter school is financially
28 sound, shall approve the preliminary application and shall make
29 the preliminary apportionment for funding pursuant to this
30 article.

31 (f) The board shall establish a process to ensure that pupil
32 attendance in a charter school that is physically located within
33 the geographical jurisdiction of a school district is counted as
34 per-pupil eligibility for that school district and to ensure that the
35 same per-pupil attendance is not so counted for any other school
36 district or other applicant under this chapter.

37 (g) The board shall establish a process to be used for release of
38 funds for approved projects pursuant to this article.
39 Notwithstanding Section 17072.30, the board may provide for
40 the release of planning and site acquisition funds prior to the

1 approval of the project by the Department of General Services
2 pursuant to the Field Act, as defined in Section 17281.

3 SEC. 16. Section 17078.54 of the Education Code is amended
4 to read:

5 17078.54. (a) An eligible project under this article shall
6 include funding, as permitted by this chapter, for new
7 construction *or rehabilitation* of a school facility for charter
8 school pupils, as set forth in this article. ~~A new construction~~
9 project may include, but is not limited to, the cost of purchasing
10 and retrofitting an existing *private or school district* building, *if*
11 *those costs have not been previously funded under this chapter,*
12 but may not exceed the amounts set forth in subdivision (b).
13 *Existing school buildings made available by a school district that*
14 *will be rehabilitated for the purposes of this article are not*
15 *subject to Article 6 (commencing with Section 17073.10). An*
16 *allocation of funds shall not be made for a school facility that is*
17 *less than 15 years old.*

18 (b) The maximum amount of the funding pursuant to this
19 article shall be determined by calculating the charter school's
20 per-pupil grant amount plus other allowable costs as set forth in
21 this chapter. Funding shall be provided by the authority for new
22 facility construction *or rehabilitation* as set forth in Section
23 17078.58.

24 (c) To be funded under this article, a project shall comply with
25 all of the following:

26 (1) (A) It shall meet all the requirements regarding public
27 school construction, plan approvals, toxic substance review, site
28 selection, and site approval, as would any noncharter school
29 project of a school district under this chapter, including, but not
30 limited to, regulations adopted by the State Architect pursuant to
31 Section 17280.5 relating to the retrofitting of existing buildings,
32 as applicable.

33 (B) Notwithstanding any provision of law to the contrary,
34 including, but not limited to subparagraph (A), the board, after
35 consulting with the relevant regulatory agencies, shall, to the
36 extent feasible, adopt regulations establishing a process for
37 projects to be subject to a streamlined method for obtaining
38 regulatory approvals for all requirements described in
39 subparagraph (A), except for the requirements of the Field Act as

1 defined in Section 17281 which shall be complied with in the
2 same manner as any other project under this chapter.

3 (2) It shall fund only new construction *or rehabilitation* to be
4 physically located within the geographical jurisdiction of a
5 school district that has demonstrated construction grant eligibility
6 based on current enrollment data as determined pursuant to
7 Section 17072.10, and subdivision (e) of Section 17078.53, for at
8 least the number of pupils set forth in the per-pupil grant request
9 contained in the application.

10 (d) Facilities funded pursuant to this article shall have a 50
11 percent local share matching obligation that may be paid by the
12 applicant through lease payments in lieu of the matching share,
13 or as otherwise set forth in this article, including, but not limited
14 to, Section 17078.58.

15 (e) The authority may charge its administrative costs against
16 the respective 2002-~~or 2004~~, 2004, 2006, 2010, 2012, or 2014
17 Charter School Facilities Account, which shall be subject to the
18 approval of the Department of Finance and which may not
19 exceed 2.5 percent of the account.

20 SEC. 17. Section 17078.56 of the Education Code is amended
21 to read:

22 17078.56. (a) The board, in consultation with the authority,
23 shall approve projects pursuant to this article as otherwise set
24 forth in this chapter, and shall make preliminary apportionments
25 only to financially sound applicants in accordance with all of the
26 following criteria:

27 (1) The board shall seek to ensure that, when considered as a
28 whole, the applications approved pursuant to this article are fairly
29 representative of the various geographical regions of the state.

30 (2) The board shall seek to ensure that, when considered as a
31 whole, the applications approved pursuant to this article are fairly
32 representative of urban, rural, and suburban regions of the state.

33 (3) The board shall seek to ensure that, when considered as a
34 whole, the applications approved pursuant to this article are fairly
35 representative of large, medium, and small charter schools
36 throughout the state.

37 (4) The board shall seek to ensure that, when considered as a
38 whole, the applications approved pursuant to this article are fairly
39 representative of the various grade levels of pupils served by
40 charter school applicants throughout the state.

(b) While ensuring that the requirements of subdivision (a) are met when considering all approved projects under this article as a whole, the board shall, within each factor of the criteria set forth in subdivision (a), give a preference to charter schools in overcrowded school districts, charter schools in low-income areas, ~~and~~ charter schools operated by not-for-profit entities, *and charter schools that utilize existing school district facilities.*

(c) Notwithstanding any other provision of law, the board, in conjunction with the California School Finance Authority, shall maximize the number of projects that may be approved under this article by adopting total per project funding caps. The board shall adopt other funding limits including, but not limited to, limits on the amount of acreage for each project and the amounts of construction funding for each project funded under this article. The adoption of construction funding limits shall include, but not be limited to, savings due to retrofitting existing buildings, joint-use projects, or other factors.

SEC. 18. Section 17078.58 of the Education Code is amended to read:

17078.58. (a) Funding granted pursuant to this article may not exceed 100 percent of the total allowable project costs as determined by calculating double the per-pupil grant eligibility as set forth in Section 17072.10, and subdivision (e) of Section 17078.53, plus 100 percent of all other allowable construction project costs, as appropriate to the project, that would otherwise be available to school district projects as set forth in this chapter. *Funding granted for the purposes of rehabilitating existing school district buildings shall be limited to the costs necessary to comply with subdivision (c) of Section 17078.54, and shall not exceed the maximum costs that would otherwise be allowable for a new construction project funded under this article.*

(b) The local share equivalent shall be collected in the form of lease payments or otherwise as set forth in this article.

(c) Lease payments in lieu of local share payments, and any other local share payments made pursuant to this article, shall be made to the State Allocation Board for deposit into the respective ~~2002 or 2004~~, 2004, 2006, 2010, 2012, or 2014 Charter School Facilities Account. Funds deposited into the account pursuant to this section may be used by the board only for a purpose related to charter school facilities pursuant to this article.

(d) When a preliminary apportionment under this article is converted to a final apportionment, any funds not needed for the final apportionment shall remain in the 2002~~-or-2004~~, 2004, 2006, 2010, 2012, or 2014 Charter School Facilities Account for use by the board for any purpose related to charter school facilities pursuant to this article.

SEC. 19. Article 13 (commencing with Section 17078.70) is added to Chapter 12.5 of Part 10 of the Education Code, to read:

Article 13. Career Technical Education Facilities Program

17078.70. (a) For the purposes of this article, “reconfiguration” means any modification of a structure of any age that will enhance the educational opportunities for students in existing middle and high schools in order to provide them with the skills and knowledge necessary for high-demand technical careers.

(b) “Reconfiguration” may include limited new construction necessary to accommodate the reconfiguration.

17078.72. (a) The Career Technical Education Facilities Program is hereby established to provide funding to qualifying local education agencies for the purpose of constructing new facilities or reconfiguring existing facilities, including, but not limited to, purchasing equipment with an average useful life expectancy of at least 10 years, to enhance educational opportunities for students in existing high schools and middle schools in order to provide them with the skills and knowledge necessary for the high-demand technical careers of today and tomorrow.

(b) The program shall be based on competitive grant applications administered by the Office of Public School Construction in cooperation with other state agencies and other entities specified in subdivision (i).

(c) Grants shall be allocated on a per-square-foot basis for the applicable type of construction proposed or deemed necessary by the Office of Public School Construction in context of the pupil-carrying capacity consistent with the approved application for the project.

(d) (1) The grants shall be based on a 50/50 state and local match.

1 (2) A school district shall not be required to demonstrate that it
2 has unhoused pupils or that a permanent school building is more
3 than 25 years old in order to receive a grant under the program.

4 (e) Pursuant to regulations developed by the Office of Public
5 School Construction, the program shall allow the local match to
6 be paid over time should sufficient local funds not be
7 immediately available. The State Allocation Board shall not
8 waive the local match on the basis of financial hardship or on any
9 other basis.

10 (f) Applications shall require all of the following:

11 (1) A clear and comprehensive Career Technical Education
12 plan for each course of study applicable to the instructional
13 space.

14 (2) Projections of student enrollment.

15 (3) Identification of feeder schools, industry partners, and
16 community colleges or other post-secondary schools
17 participating in the development, articulation and review of the
18 educational program.

19 (4) Evidence of approval of the plan by the entities listed in
20 paragraph (3).

21 (5) The method by which accountability for student
22 enrollments and outcomes will be maintained.

23 (6) Evidence of coordination with all feeder schools, middle
24 schools, and high schools within the area to ensure that the
25 project and programs complement career technical education
26 offerings in the area.

27 (7) Evidence that upon completion of the project the local
28 education agency will meet all of its obligations under Section
29 51228 relating to career technical education.

30 (g) Applications shall give weight to the number of students
31 expected to attend, the cost per student, financial participation by
32 industry partners in the construction and equipping of the facility,
33 commitment to accountability for outcomes and participation, the
34 strength and relevance of the educational plans to the needs of
35 industry for qualified technical employees applicable to the
36 economic development needs of the region in which the project
37 will be located, and coordination and articulation with feeder
38 schools, other high schools, and community colleges. Preference
39 shall be given to comprehensive high schools.

1 (h) The Office of Public School Construction shall develop
2 and promulgate regulations to implement this article on or before
3 January 1, 2007, and may promulgate those regulations first on
4 an emergency basis, which shall be effective for no more than
5 twelve months, after which any permanent regulations shall be
6 promulgated in accordance with the Administrative Procedures
7 Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of
8 Division 3 of Title 2 of the Government Code.

9 (i) In developing the regulations required under subdivision
10 (h), for the application materials, and the scoring system, and
11 determination of the minimum scores necessary for qualification
12 for a grant, the Office of Public School Construction shall seek
13 the input of the Chancellor's Office of the Community Colleges,
14 the State Department of Education, the Labor and Workforce
15 Development Agency, and industry groups, to ensure equity,
16 program relevance to industry needs, and articulation with more
17 advanced course work at the partnering community colleges.

18 SEC. 20. Article 14 (commencing with Section 17078.80) is
19 added to Chapter 12.5 of Part 10 of the Education Code, to read:

20
21 Article 14. Small High School Program
22

23 17078.80. (a) For the purposes of this article, a
24 "reconfiguration project" is a project that has as its purpose the
25 creation of a new small high school on an existing high school, is
26 part of a current modernization project, and is considered one
27 project regardless of the number of new high school entities
28 created.

29 (b) A "reconfiguration project" may include limited new
30 construction necessary to accommodate the reconfiguration.

31 17078.82. (a) The Small High School Program is hereby
32 established to provide funding to school districts for the purpose
33 of constructing new school facilities that are smaller in size, or
34 modernizing existing large high school facilities into smaller
35 high schools, to enhance the educational environment for pupils.
36 This program shall not apply in those circumstances in which a
37 small high school would otherwise have been built because of
38 sparse population in the geographical area and where the current
39 new construction eligibility of the school district calculated

1 pursuant to Article 3 (commencing with Section 17071.75) is less
2 than 500 pupil grants at the high school grade level.

3 (b) The board shall determine the maximum total new
4 construction grant eligibility of an applicant pursuant to the
5 number of unhoused pupils calculated pursuant to Article 3
6 (commencing with Section 17071.75).

7 (c) The maximum total new construction grant shall be
8 adjusted to reflect 120 percent of the amounts determined under
9 subdivisions (a) and (b) of Section 17072.10. The funding
10 amount provided by the state shall be equal to 60 percent of the
11 total project costs.

12 (d) A high school with an annual enrollment of 1,000 or more
13 pupils that is seeking to reconfigure into two or more small high
14 schools, as defined in subdivision (m) of Section 17070.15, is
15 eligible for additional modernization funding to assist with costs
16 generated by the reconfiguration project.

17 (e) (1) Modernization funding shall not be granted, in the
18 aggregate, for more than five hundred thousand dollars
19 (\$500,000).

20 (2) A single project shall not be granted funding, in the
21 aggregate, for more than five hundred thousand dollars
22 (\$500,000).

23 (f) The enrollment of any small high school constructed shall
24 not exceed 500 pupils within a five-year period following
25 occupancy of the project.

26 (g) The board shall adopt regulations, in consultation with the
27 Superintendent, to establish criteria to ensure that the adjustment
28 specified in this section is available to multiple small high
29 schools, and only for those applicant school districts that propose
30 to build a small high school as part of an academic reform
31 strategy that focuses on the positive outcomes that small high
32 schools encourage.

33 (h) To ensure that sufficient data is available, the board shall
34 include those projects apportioned on or before October 31,
35 2008, by the board under this article in the evaluation made
36 under Section 17070.99.

37 SEC. 21. Section 35502 is added to the Education Code, to
38 read:

39 35502. An action to reorganize a school district under this
40 chapter and Chapter 4 (commencing with Section 35700) is not a

1 “project,” as defined in Section 21065 of the Public Resources
2 Code.

3 SEC. 22. Part 68.3 (commencing with Section 101000) is
4 added to the Education Code, to read:

5
6 PART 68.3. KINDERGARTEN-UNIVERSITY PUBLIC
7 EDUCATION FACILITIES BOND ACT OF 2006

8
9 CHAPTER 1. GENERAL

10
11 101000. This part shall be known and may be cited as the
12 Kindergarten-University Public Education Facilities Bond Act of
13 2006.

14 101001. The incorporation of, or reference to, any provision
15 of California statutory law in this part includes all acts
16 amendatory thereof and supplementary thereto.

17 101002. For the purposes of this part, the “fund” is the 2006
18 State School Facilities Fund established in the State Treasury
19 under subdivision (d) of Section 17070.40, unless the context
20 clearly requires otherwise.

21 101003. (a) Bonds in the total amount of twelve billion four
22 hundred million dollars (\$12,400,000,000), not including the
23 amount of any refunding bonds issued in accordance with
24 Sections 101044 and 101155, or so much thereof as is necessary,
25 may be issued and sold to provide a fund to be used for carrying
26 out the purposes expressed in this part and to reimburse the
27 General Obligation Bond Expense Revolving Fund pursuant to
28 Section 16724.5 of the Government Code. The bonds, when sold,
29 shall be and constitute a valid and binding obligation of the State
30 of California, and the full faith and credit of the State of
31 California is hereby pledged for the punctual payment of the
32 principal of, and interest on, the bonds as the principal and
33 interest become due and payable.

34 (b) Pursuant to this section, the Treasurer shall sell the bonds
35 authorized by the State School Building Finance Committee
36 established by Section 15909 or the Higher Education Facilities
37 Finance Committee established pursuant to Section 67353, as the
38 case may be, at any different times necessary to service
39 expenditures required by the apportionments.

CHAPTER 2. KINDERGARTEN AND GRADES 1 TO 12

Article 1. Kindergarten Through 12th Grade School Facilities
Program Provisions

101010. The proceeds of bonds issued and sold pursuant to Article 2 (commencing with Section 101025) shall be deposited in the 2006 State School Facilities Fund, which is established in subdivision (d) of Section 17070.40, and shall be allocated by the State Allocation Board pursuant to this chapter.

101015. All moneys deposited in the 2006 State School Facilities Fund for the purposes of this chapter shall be available and, notwithstanding any other provision of law to the contrary, are hereby continuously appropriated without regard to fiscal years to provide aid to school districts, county superintendents of schools, and county boards of education of the state in accordance with the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10), as set forth in Section 101020, to provide funds to repay any money advanced or loaned to the 2006 State School Facilities Fund under any act of the Legislature, together with interest provided for in that act, and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

101020. (a) The proceeds from the sale of bonds, issued and sold for the purposes of this chapter, as specified in subdivision (a) of Section 101010, shall be allocated in accordance with the following schedule:

(1) The amount of one billion seven hundred million dollars (\$1,700,000,000) for project funding for new construction of school facilities of applicant school districts under Chapter 12.5 (commencing with Section 17070.10) of Part 10, including, but not limited to, hardship applications.

(2) The amount of three billion three hundred million dollars (\$3,300,000,000) for the modernization of school facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10, including, but not limited to, hardship applications.

(3) The amount of one billion dollars (\$1,000,000,000) for the purposes set forth in Article 12 (commencing with Section 17078.50) of Chapter 12.5 of Part 10, relating to charter schools.

1 The State Allocation Board may allocate funds to charter schools
2 under this paragraph for the purpose of modernizing existing
3 unused school facilities that are not less than 15 year old.

4 (4) The amount of one billion dollars (\$1,000,000,000) for the
5 purposes set forth in Article 13 (commencing with Section
6 17078.70) of Chapter 12.5 of Part 10, relating to the Career
7 Technical Education Facilities Program.

8 (b) School districts may use funds allocated pursuant to
9 paragraph (2) of subdivision (a) only for one or more of the
10 following purposes in accordance with Chapter 12.5
11 (commencing with Section 17070.10) of Part 10:

12 (1) The purchase and installation of air-conditioning
13 equipment and insulation materials, and related costs.

14 (2) Construction projects or the purchase of furniture or
15 equipment designed to increase school security or playground
16 safety.

17 (3) The identification, assessment, or abatement in school
18 facilities of hazardous asbestos.

19 (4) Project funding for high priority roof replacement projects.

20 (5) Any other modernization of facilities pursuant to Chapter
21 12.5 (commencing with Section 17070.10) of Part 10.

22 (c) Funds allocated pursuant to paragraph (1) of subdivision
23 (a) may, also, be utilized to provide new construction grants for
24 eligible applicant county boards of education under Chapter 12.5
25 (commencing with Section 17070.10) of Part 10 for funding
26 classrooms for severely disabled pupils, or for funding
27 classrooms for county community school pupils.

28 (d) (1) The Legislature may amend this section to adjust the
29 funding amounts specified in paragraphs (1) to (4), inclusive, of
30 subdivision (a), only by either of the following methods:

31 (A) By a statute, passed in each house of the Legislature by
32 rollcall vote entered in the respective journals, by not less than
33 two-thirds of the membership in each house concurring, if the
34 statute is consistent with, and furthers the purposes of, this
35 chapter.

36 (B) By a statute that becomes effective only when approved by
37 the voters.

38 (2) Amendments pursuant to this subdivision may adjust the
39 amounts to be expended pursuant to paragraphs (1) to (4),

1 inclusive, of subdivision (a), but may not increase or decrease the
2 total amount to be expended pursuant to that subdivision.

3 (e) (1) From the total amounts set forth in paragraphs (1) and
4 (2) of subdivision (a), a total of no more than five hundred
5 million dollars (\$500,000,000) shall be used to fund the Small
6 High School Program under Article 14 (commencing with
7 Section 17078.80) of Chapter 12.5 of Part 10.

8 (2) From the total amounts set forth in paragraphs (1) and (2)
9 of subdivision (a), a total of no more than twenty million dollars
10 (\$20,000,000) may be used for the costs of energy conservation
11 adjustments authorized pursuant to Section 17077.35.

12 (f) Funds available pursuant to this section may be used for
13 acquisition of school facilities authorized pursuant to Section
14 17280.5.

15
16 Article 2. Kindergarten and Grades 1 to 12 School Facilities
17 Fiscal Provisions
18

19 101025. (a) Of the total amount of bonds authorized to be
20 issued and sold pursuant to Chapter 1 (commencing with Section
21 101000), bonds in the total amount of seven billion dollars
22 (\$7,000,000,000), not including the amount of any refunding
23 bonds issued in accordance with Section 101044, or so much
24 thereof as is necessary, may be issued and sold to provide a fund
25 to be used for carrying out the purposes expressed in this chapter
26 and to reimburse the General Obligation Bond Expense
27 Revolving Fund pursuant to Section 16724.5 of the Government
28 Code. The bonds, when sold, shall be and constitute a valid and
29 binding obligation of the State of California, and the full faith
30 and credit of the State of California is hereby pledged for the
31 punctual payment of the principal of, and interest on, the bonds
32 as the principal and interest become due and payable.

33 (b) Pursuant to this section, the Treasurer shall sell the bonds
34 authorized by the State School Building Finance Committee
35 established pursuant to Section 15909 at any different times
36 necessary to service expenditures required by the
37 apportionments.

38 101027. The State School Building Finance Committee,
39 established by Section 15909 and composed of the Governor, the
40 Controller, the Treasurer, the Director of Finance, and the

1 Superintendent, or the designated representatives of any of those
2 individuals, all of whom shall serve thereon without
3 compensation, and a majority of whom shall constitute a quorum,
4 is continued in existence for the purpose of this chapter. The
5 Treasurer shall serve as chairperson of the committee. Two
6 Members of the Senate appointed by the Senate Committee on
7 Rules, and two Members of the Assembly appointed by the
8 Speaker of the Assembly, shall meet with and provide advice to
9 the committee to the extent that the advisory participation is not
10 incompatible with their respective positions as Members of the
11 Legislature. For the purposes of this chapter, the Members of the
12 Legislature shall constitute an interim investigating committee on
13 the subject of this chapter and, as that committee, shall have the
14 powers granted to, and duties imposed upon, those committees
15 by the Joint Rules of the Senate and the Assembly. The Director
16 of Finance shall provide assistance to the committee as it may
17 require. The Attorney General of the state is the legal adviser of
18 the committee.

19 101030. (a) The bonds authorized by this chapter shall be
20 prepared, executed, issued, sold, paid, and redeemed as provided
21 in the State General Obligation Bond Law (Chapter 4
22 (commencing with Section 16720) of Part 3 of Division 4 of Title
23 2 of the Government Code), and all of the provisions of that law,
24 except Section 16727 of the Government Code, apply to the
25 bonds and to this chapter and are hereby incorporated into this
26 chapter as though set forth in full within this chapter.

27 (b) For purposes of the State General Obligation Bond Law,
28 the State Allocation Board is designated the “board” for purposes
29 of administering the 2006 State School Facilities Fund.

30 101032. Upon request of the State Allocation Board from
31 time to time, supported by a statement of the apportionments
32 made and to be made for the purposes described in Sections
33 101015 and 101020, the State School Building Finance
34 Committee shall determine whether or not it is necessary or
35 desirable to issue bonds authorized pursuant to this chapter in
36 order to fund the apportionments and, if so, the amount of bonds
37 to be issued and sold. Successive issues of bonds may be
38 authorized and sold to fund those apportionments progressively,
39 and it is not necessary that all of the bonds authorized to be
40 issued be sold at any one time.

101034. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

101035. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum necessary to carry out Section 101040, appropriated without regard to fiscal years.

101036. The State Allocation Board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this chapter. The board shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

101038. Notwithstanding any other provision of this chapter, or of the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, subject to designated conditions, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the investment earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds required or desirable under federal law to maintain the tax-exempt status of

1 those bonds and to obtain any other advantage under federal law
2 on behalf of the funds of this state.

3 101040. For the purposes of carrying out this chapter, the
4 Director of Finance may authorize the withdrawal from the
5 General Fund of an amount not to exceed the amount of the
6 unsold bonds that have been authorized by the State School
7 Building Finance Committee to be sold for the purpose of
8 carrying out this chapter. Any amounts withdrawn shall be
9 deposited in the 2006 State School Facilities Fund consistent
10 with this chapter. Any money made available under this section
11 shall be returned to the General Fund, plus an amount equal to
12 the interest that the money would have earned in the Pooled
13 Money Investment Account, from proceeds received from the
14 sale of bonds for the purpose of carrying out this chapter.

15 101042. All money deposited in the 2006 State School
16 Facilities Fund, that is derived from premium and accrued
17 interest on bonds sold shall be reserved in the fund and shall be
18 available for transfer to the General Fund as a credit to
19 expenditures for bond interest.

20 101044. The bonds may be refunded in accordance with
21 Article 6 (commencing with Section 16780) of Chapter 4 of Part
22 3 of Division 4 of Title 2 of the Government Code, which is a
23 part of the State General Obligation Bond Law. Approval by the
24 voters of the state for the issuance of the bonds described in this
25 chapter includes the approval of the issuance of any bonds issued
26 to refund any bonds originally issued under this chapter or any
27 previously issued refunding bonds.

28 101046. The Legislature hereby finds and declares that,
29 inasmuch as the proceeds from the sale of bonds authorized by
30 this chapter are not “proceeds of taxes” as that term is used in
31 Article XIII B of the California Constitution, the disbursement of
32 these proceeds is not subject to the limitations imposed by that
33 article.

34 35 CHAPTER 3. HIGHER EDUCATION FACILITIES

36 37 Article 1. General

38
39 101050. (a) The system of public higher education in this
40 state includes the University of California, the Hastings College

1 of the Law, the California State University, the California
2 Community Colleges, and their respective off-campus centers.

3 (b) The 2006 Higher Education Capital Outlay Bond Fund is
4 hereby established in the State Treasury for deposit of funds from
5 the proceeds of bonds issued and sold for the purposes of this
6 chapter.

7 (c) The Higher Education Facilities Finance Committee
8 established pursuant to Section 67353 is hereby authorized to
9 create a debt or debts, liability or liabilities, of the State of
10 California pursuant to this chapter for the purpose of providing
11 funds to aid the University of California, the Hastings College of
12 the Law, the California State University, and the California
13 Community Colleges.

14
15 Article 2. Program Provisions Applicable to the University of
16 California and the Hastings College of the Law
17

18 101052. (a) From the proceeds of bonds issued and sold
19 pursuant to Article 5 (commencing with Section 101100), the
20 sum of one billion nine hundred thirty-three million three
21 hundred thirty-three thousand three hundred thirty-three dollars
22 (\$1,933,333,333) shall be deposited in the 2006 Higher
23 Education Capital Outlay Bond Fund for the purposes of this
24 article. When appropriated, these funds shall be available for
25 expenditure for the purposes of this article.

26 (b) The purposes of this article include assisting in meeting the
27 capital outlay financing needs of the University of California and
28 the Hastings College of the Law.

29 (c) Of the amount made available under subdivision (a), the
30 amount of two hundred million dollars (\$200,000,000) shall be
31 used for capital improvements that expand and enhance medical
32 education programs with an emphasis on telemedicine aimed at
33 developing high-tech approaches to health care.

34 (d) Proceeds from the sale of bonds issued and sold for the
35 purposes of this article may be used to fund construction on
36 existing campuses, including the construction of buildings and
37 the acquisition of related fixtures, construction of facilities that
38 may be used by more than one segment of public higher
39 education (intersegmental), the renovation and reconstruction of
40 facilities, capital renewal, including, but not limited to, the

1 systematic replacement of mechanical, electrical, and plumbing
2 building systems or shells that have exceeded their useful life
3 based on manufacturer's standards, site acquisition, the
4 equipping of new, renovated, or reconstructed facilities, which
5 equipment shall have an average useful life of 10 years; and to
6 provide funds for the payment of preconstruction costs,
7 including, but not limited to, preliminary plans and working
8 drawings for facilities of the University of California and the
9 Hastings College of the Law.

10 (e) Of the amount deposited in the 2006 Higher Education
11 Capital Outlay Bond Fund, two and one-half percent shall be set
12 aside and used to pay the costs for the administration of these
13 funds. After all of the bonds have been sold, any unused portion
14 of the two and one-half percent administrative cost reserve may
15 be used to fund capital outlay projects in accordance with
16 subdivision (d).

17
18 Article 3. Program Provisions Applicable to the California
19 State University
20

21 101053. (a) From the proceeds of bonds issued and sold
22 pursuant to Article 5 (commencing with Section 101100), the
23 sum of one billion seven hundred thirty-three million three
24 hundred thirty-three thousand three hundred thirty-three dollars
25 (\$1,733,333,333) shall be deposited in the 2006 Higher
26 Education Capital Outlay Bond Fund for the purposes of this
27 article. When appropriated, these funds shall be available for
28 expenditure for the purposes of this article.

29 (b) The purposes of this article include assisting in meeting the
30 capital outlay financing needs of the California State University.

31 (c) Proceeds from the sale of bonds issued and sold for the
32 purposes of this article may be used to fund construction on
33 existing campuses, including the construction of buildings and
34 the acquisition of related fixtures, construction of facilities that
35 may be used by more than one segment of public higher
36 education (intersegmental), the renovation and reconstruction of
37 facilities, capital renewal, including, but not limited to, the
38 systematic replacement of mechanical, electrical, and plumbing
39 building systems or shells that have exceeded their useful life
40 based on manufacturer's standards, site acquisition, the

1 equipping of new, renovated, or reconstructed facilities, which
2 equipment shall have an average useful life of 10 years; and to
3 provide funds for the payment of preconstruction costs,
4 including, but not limited to, preliminary plans and working
5 drawings for facilities of the California State University.

6 (d) Of the amount deposited in the 2006 Higher Education
7 Capital Outlay Bond Fund, two and one-half percent shall be set
8 aside and used to pay the costs for the administration of these
9 funds. After all of the bonds have been sold, any unused portion
10 of the two and one-half percent administrative cost reserve may
11 be used to fund capital outlay projects in accordance with
12 subdivision (c).

13
14 Article 4. Program Provisions Applicable to the California
15 Community Colleges
16

17 101054. (a) From the proceeds of bonds issued and sold
18 pursuant to Article 5 (commencing with Section 101100), the
19 sum of one billion seven hundred thirty-three million three
20 hundred thirty-three thousand three hundred thirty-three dollars
21 (\$1,733,333,333) shall be deposited in the 2006 Higher
22 Education Capital Outlay Bond Fund for the purposes of this
23 article. When appropriated, these funds shall be available for
24 expenditure for the purposes of this article.

25 (b) The purposes of this article include assisting in meeting the
26 capital outlay financing needs of the California Community
27 Colleges.

28 (c) Proceeds from the sale of bonds issued and sold for the
29 purposes of this article may be used to fund construction on
30 existing campuses, including the construction of buildings and
31 the acquisition of related fixtures, construction of facilities that
32 may be used by more than one segment of public higher
33 education (intersegmental), the renovation and reconstruction of
34 facilities, capital renewal, including, but not limited to, the
35 systematic replacement of mechanical, electrical, and plumbing
36 building systems or shells that have exceeded their useful life
37 based on manufacturer's standards, site acquisition, the
38 equipping of new, renovated, or reconstructed facilities, which
39 equipment shall have an average useful life of 10 years; and to
40 provide funds for the payment of preconstruction costs,

including, but not limited to, preliminary plans and working drawings for facilities of the California Community Colleges.

(d) Of the amount deposited in the 2006 Higher Education Capital Outlay Bond Fund, two and one-half percent shall be set aside and used to pay the costs for the administration of these funds. After all the bonds have been sold, any unused portion of the two and one-half percent administrative cost reserve may be used to fund capital outlay projects in accordance with subdivision (c).

Article 5. Higher Education Fiscal Provisions

101100. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 101000), bonds in the total amount of five billion four hundred million dollars (\$5,400,000,000), not including the amount of any refunding bonds issued in accordance with Section 101155, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) It is the intent of the Legislature that the University of California, the California State University, and the California Community Colleges annually consider, as part of their annual capital outlay planning process, the inclusion of facilities that may be used by more than one segment of public higher education (intersegmental), and, that on or before May 15th of each year, those entities report their findings to the budget committees of each house of the Legislature.

(c) Pursuant to this section, the Treasurer shall sell the bonds authorized by the Higher Education Facilities Finance Committee established pursuant to Section 67353 at any different times necessary to service expenditures required by the apportionments.

1 101110. (a) The bonds authorized by this chapter shall be
2 prepared, executed, issued, sold, paid, and redeemed as provided
3 in the State General Obligation Bond Law (Chapter 4
4 (commencing with Section 16720) of Part 3 of Division 4 of Title
5 2 of the Government Code), and all of the provisions of that law,
6 except Section 16727 of the Government Code, apply to the
7 bonds and to this chapter and are hereby incorporated into this
8 chapter as though set forth in full within this chapter.

9 (b) For the purposes of the State General Obligation Bond
10 Law, each state agency administering an appropriation of the
11 2006 Higher Education Capital Outlay Bond Fund is designated
12 as the “board” for projects funded pursuant to this chapter.

13 (c) The proceeds of the bonds issued and sold pursuant to this
14 chapter shall be available for the purpose of funding aid to the
15 University of California, the Hastings College of the Law, the
16 California State University, and the California Community
17 Colleges, for the construction on existing or new campuses, and
18 their respective off-campus centers and joint use and
19 intersegmental facilities, as set forth in this chapter.

20 101120. The Higher Education Facilities Finance Committee
21 established pursuant to Section 67353 shall authorize the
22 issuance of bonds under this chapter only to the extent necessary
23 to fund the apportionments for the purposes described in this
24 chapter that are expressly authorized by the Legislature. Pursuant
25 to that legislative direction, the committee shall determine
26 whether or not it is necessary or desirable to issue bonds
27 authorized pursuant to this chapter in order to carry out the
28 purposes described in this chapter and, if so, the amount of bonds
29 to be issued and sold. Successive issues of bonds may be
30 authorized and sold to carry out those actions progressively, and
31 it is not necessary that all of the bonds authorized to be issued be
32 sold at any one time.

33 101125. There shall be collected each year and in the same
34 manner and at the same time as other state revenue is collected,
35 in addition to the ordinary revenues of the state, a sum in an
36 amount required to pay the principal of, and interest on, the
37 bonds each year. It is the duty of all officers charged by law with
38 any duty in regard to the collection of the revenue to do and
39 perform each and every act which is necessary to collect that
40 additional sum.

1 101130. Notwithstanding Section 13340 of the Government
2 Code, there is hereby appropriated from the General Fund in the
3 State Treasury, for the purposes of this chapter, an amount that
4 will equal the total of the following:

5 (a) The sum annually necessary to pay the principal of, and
6 interest on, bonds issued and sold pursuant to this chapter, as the
7 principal and interest become due and payable.

8 (b) The sum necessary to carry out Section 101145,
9 appropriated without regard to fiscal years.

10 101135. The board, as defined in subdivision (b) of Section
11 101110, may request the Pooled Money Investment Board to
12 make a loan from the Pooled Money Investment Account or any
13 other approved form of interim financing, in accordance with
14 Section 16312 of the Government Code, for the purpose of
15 carrying out this chapter. The amount of the request shall not
16 exceed the amount of the unsold bonds that the committee, by
17 resolution, has authorized to be sold for the purpose of carrying
18 out this chapter. The board, as defined in subdivision (b) of
19 Section 101110, shall execute any documents required by the
20 Pooled Money Investment Board to obtain and repay the loan.
21 Any amounts loaned shall be deposited in the 2006 Higher
22 Education Capital Outlay Bond Fund to be allocated by the board
23 in accordance with this chapter.

24 101140. Notwithstanding any other provision of this chapter,
25 or of the State General Obligation Bond Law, if the Treasurer
26 sells bonds pursuant to this chapter that include a bond counsel
27 opinion to the effect that the interest on the bonds is excluded
28 from gross income for federal tax purposes, subject to designated
29 conditions, the Treasurer may maintain separate accounts for the
30 investment of bond proceeds and for the investment earnings on
31 those proceeds. The Treasurer may use or direct the use of those
32 proceeds or earnings to pay any rebate, penalty, or other payment
33 required under federal law or take any other action with respect
34 to the investment and use of those bond proceeds required or
35 desirable under federal law to maintain the tax-exempt status of
36 those bonds and to obtain any other advantage under federal law
37 on behalf of the funds of this state.

38 101145. (a) For the purposes of carrying out this chapter, the
39 Director of Finance may authorize the withdrawal from the
40 General Fund of an amount not to exceed the amount of the

1 unsold bonds that have been authorized by the Higher Education
2 Facilities Finance Committee to be sold for the purpose of
3 carrying out this chapter. Any amounts withdrawn shall be
4 deposited in the 2006 Higher Education Capital Outlay Bond
5 Fund consistent with this chapter. Any money made available
6 under this section shall be returned to the General Fund, plus an
7 amount equal to the interest that the money would have earned in
8 the Pooled Money Investment Account, from proceeds received
9 from the sale of bonds for the purpose of carrying out this
10 chapter.

11 (b) Any request forwarded to the Legislature and the
12 Department of Finance for funds from this bond issue for
13 expenditure for the purposes described in this chapter by the
14 University of California, the Hastings College of the Law, the
15 California State University, or the California Community
16 Colleges shall be accompanied by the five-year capital outlay
17 plan. Requests forwarded by a university or college shall include
18 a schedule that prioritizes the seismic retrofitting needed to
19 significantly reduce, in the judgment of the particular university
20 or college, seismic hazards in buildings identified as high priority
21 by the university or college. Requests forwarded by the
22 California Community Colleges shall be accompanied by a
23 five-year capital outlay plan reflecting the needs and priorities of
24 the community college system, prioritized on a statewide basis.

25 101150. All money deposited in the 2006 Higher Education
26 Capital Outlay Bond Fund that is derived from premium and
27 accrued interest on bonds sold shall be reserved in the fund and
28 shall be available for transfer to the General Fund as a credit to
29 expenditures for bond interest.

30 101155. The bonds may be refunded in accordance with
31 Article 6 (commencing with Section 16780) of Chapter 4 of Part
32 3 of Division 4 of Title 2 of the Government Code, which is a
33 part of the State General Obligation Bond Law. Approval by the
34 voters of the state for the issuance of the bonds described in this
35 chapter includes the approval of the issuance of any bonds issued
36 to refund any bonds originally issued under this chapter or any
37 previously issued refunding bonds.

38 101160. The Legislature hereby finds and declares that,
39 inasmuch as the proceeds from the sale of bonds authorized by
40 this chapter are not “proceeds of taxes” as that term is used in

1 Article XIII B of the California Constitution, the disbursement of
2 these proceeds is not subject to the limitations imposed by that
3 article.

4 SEC. 23. Part 68.4 (commencing with Section 102000) is
5 added to the Education Code, to read:

6
7 PART 68.4. KINDERGARTEN AND GRADES 1 TO 12
8 PUBLIC EDUCATION FACILITIES BOND ACT OF 2008

9
10 CHAPTER 1. GENERAL

11
12 102000. This part shall be known and may be cited as the
13 Kindergarten and Grades 1 to 12 Public Education Facilities
14 Bond Act of 2008.

15 102001. The incorporation of, or reference to, any provision
16 of California statutory law in this part includes all acts
17 amendatory thereof and supplementary thereto.

18 102002. For the purposes of this part, the “fund” is the 2008
19 State School Facilities Fund established in the State Treasury
20 under subdivision (e) of Section 17070.40, unless the context
21 clearly requires otherwise.

22 102003. (a) Bonds in the total amount of four billion two
23 hundred million dollars (\$4,200,000,000), not including the
24 amount of any refunding bonds issued in accordance with
25 Section 102044, or so much thereof as is necessary, may be
26 issued and sold to provide a fund to be used for carrying out the
27 purposes expressed in this part and to reimburse the General
28 Obligation Bond Expense Revolving Fund pursuant to Section
29 16724.5 of the Government Code. The bonds, when sold, shall be
30 and constitute a valid and binding obligation of the State of
31 California, and the full faith and credit of the State of California
32 is hereby pledged for the punctual payment of the principal of,
33 and interest on, the bonds as the principal and interest become
34 due and payable.

35 (b) Pursuant to this section, the Treasurer shall sell the bonds
36 authorized by the State School Building Finance Committee
37 established by Section 15909 or the Higher Education Facilities
38 Finance Committee established pursuant to Section 67353, as the
39 case may be, at any different times necessary to service
40 expenditures required by the apportionments.

CHAPTER 2. KINDERGARTEN AND GRADES 1 TO 12

Article 1. Kindergarten and Grades 1 to 12 School Facilities
Program Provisions

102010. The proceeds of bonds issued and sold pursuant to Article 2 (commencing with Section 102025) shall be deposited in the 2008 State School Facilities Fund, which is established in subdivision (e) of Section 17070.40, and shall be allocated by the State Allocation Board pursuant to this chapter.

102015. All moneys deposited in the 2008 State School Facilities Fund for the purposes of this chapter shall be available and, notwithstanding any other provision of law to the contrary, are hereby continuously appropriated without regard to fiscal years to provide aid to school districts, county superintendents of schools, and county boards of education of the state in accordance with the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10), as set forth in Section 102020, to provide funds to repay any money advanced or loaned to the 2008 State School Facilities Fund under any act of the Legislature, together with interest provided for in that act, and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

102020. (a) The proceeds from the sale of bonds, issued and sold for the purposes of this chapter, as specified in subdivision (a) of Section 102010 shall be allocated in accordance with the following schedule:

(1) The amount of three billion dollars (\$3,000,000,000) for project funding for new construction of school facilities of applicant school districts under Chapter 12.5 (commencing with Section 17070.10) of Part 10, including, but not limited to, hardship applications.

(2) The amount of one billion two hundred million dollars (\$1,200,000,000) for the modernization of school facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10, including, but not limited to, hardship applications.

(b) School districts may use funds allocated pursuant to paragraph (2) of subdivision (a) only for one or more of the

1 following purposes in accordance with Chapter 12.5
2 (commencing with Section 17070.10) of Part 10:

3 (1) The purchase and installation of air-conditioning
4 equipment and insulation materials, and related costs.

5 (2) Construction projects or the purchase of furniture or
6 equipment designed to increase school security or playground
7 safety.

8 (3) The identification, assessment, or abatement in school
9 facilities of hazardous asbestos.

10 (4) Project funding for high priority roof replacement projects.

11 (5) Any other modernization of facilities pursuant to Chapter
12 12.5 (commencing with Section 17070.10) of Part 10.

13 (c) Funds allocated pursuant to paragraph (1) of subdivision
14 (a) may, also, be utilized to provide new construction grants for
15 eligible applicant county boards of education under Chapter 12.5
16 (commencing with Section 17070.10) of Part 10 for funding
17 classrooms for severely disabled pupils, or for funding
18 classrooms for county community school pupils.

19 (d) (1) The Legislature may amend this section to adjust the
20 funding amounts specified in paragraphs (1) and (2) of
21 subdivision (a), only by either of the following methods:

22 (A) By a statute, passed in each house of the Legislature by
23 rollcall vote entered in the respective journals, by not less than
24 two-thirds of the membership in each house concurring, if the
25 statute is consistent with, and furthers the purposes of, this
26 chapter.

27 (B) By a statute that becomes effective only when approved by
28 the voters.

29 (2) Amendments pursuant to this subdivision may adjust the
30 amounts to be expended pursuant to paragraphs (1) and (2) of
31 subdivision (a), but may not increase or decrease the total amount
32 to be expended pursuant to that subdivision.

33 (e) (1) From the total amounts set forth in paragraphs (1) and
34 (2) of subdivision (a), a total of no more than four hundred
35 twenty million dollars (\$420,000,000) shall be used to fund the
36 Small High School Program under Article 14 (commencing with
37 Section 17078.80).

38 (2) From the total amounts set forth in paragraphs (1) and (2)
39 of subdivision (a), a total of no more than twenty million dollars

1 (\$20,000,000) may be used for the costs of energy conservation
2 adjustments authorized pursuant to Section 17077.35.

3 (f) Funds available pursuant to this section may be used for
4 acquisition of school facilities authorized pursuant to Section
5 17280.5.

6
7 Article 2. Kindergarten and Grades 1 to 12 School Facilities
8 Fiscal Provisions
9

10 102025. (a) Of the total amount of bonds authorized to be
11 issued and sold pursuant to Chapter 1 (commencing with Section
12 102000), bonds in the total amount of four billion two hundred
13 million dollars (\$4,200,000,000), not including the amount of
14 any refunding bonds issued in accordance with Section 102044,
15 or so much thereof as is necessary, may be issued and sold to
16 provide a fund to be used for carrying out the purposes expressed
17 in this chapter and to reimburse the General Obligation Bond
18 Expense Revolving Fund pursuant to Section 16724.5 of the
19 Government Code. The bonds, when sold, shall be and constitute
20 a valid and binding obligation of the State of California, and the
21 full faith and credit of the State of California is hereby pledged
22 for the punctual payment of the principal of, and interest on, the
23 bonds as the principal and interest become due and payable.

24 (b) Pursuant to this section, the Treasurer shall sell the bonds
25 authorized by the State School Building Finance Committee
26 established pursuant to Section 15909 at any different times
27 necessary to service expenditures required by the
28 apportionments.

29 102027. The State School Building Finance Committee,
30 established by Section 15909 and composed of the Governor, the
31 Controller, the Treasurer, the Director of Finance, and the
32 Superintendent of Public Instruction, or their designated
33 representatives, all of whom shall serve thereon without
34 compensation, and a majority of whom shall constitute a quorum,
35 is continued in existence for the purpose of this chapter. The
36 Treasurer shall serve as chairperson of the committee. Two
37 Members of the Senate appointed by the Senate Committee on
38 Rules, and two Members of the Assembly appointed by the
39 Speaker of the Assembly, shall meet with and provide advice to
40 the committee to the extent that the advisory participation is not

incompatible with their respective positions as Members of the Legislature. For the purposes of this chapter, the Members of the Legislature shall constitute an interim investigating committee on the subject of this chapter and, as that committee, shall have the powers granted to, and duties imposed upon, those committees by the Joint Rules of the Senate and the Assembly. The Director of Finance shall provide assistance to the committee as it may require. The Attorney General of the state is the legal adviser of the committee.

102030. (a) The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law, except Section 16727 of the Government Code, apply to the bonds and to this chapter and are hereby incorporated into this chapter as though set forth in full within this chapter.

(b) For purposes of the State General Obligation Bond Law, the State Allocation Board is designated the “board” for purposes of administering the 2008 State School Facilities Fund.

102032. Upon request of the State Allocation Board from time to time, supported by a statement of the apportionments made and to be made for the purposes described in Sections 102015 and 102020, the State School Building Finance Committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to fund the apportionments and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to fund those apportionments progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

102034. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

1 102035. Notwithstanding Section 13340 of the Government
2 Code, there is hereby appropriated from the General Fund in the
3 State Treasury, for the purposes of this chapter, an amount that
4 will equal the total of the following:

5 (a) The sum annually necessary to pay the principal of, and
6 interest on, bonds issued and sold pursuant to this chapter, as the
7 principal and interest become due and payable.

8 (b) The sum necessary to carry out Section 102040,
9 appropriated without regard to fiscal years.

10 102036. The State Allocation Board may request the Pooled
11 Money Investment Board to make a loan from the Pooled Money
12 Investment Account or any other approved form of interim
13 financing, in accordance with Section 16312 of the Government
14 Code, for the purpose of carrying out this chapter. The amount of
15 the request shall not exceed the amount of the unsold bonds that
16 the committee, by resolution, has authorized to be sold for the
17 purpose of carrying out this chapter. The board shall execute any
18 documents required by the Pooled Money Investment Board to
19 obtain and repay the loan. Any amounts loaned shall be deposited
20 in the fund to be allocated by the board in accordance with this
21 chapter.

22 102038. Notwithstanding any other provision of this chapter,
23 or of the State General Obligation Bond Law, if the Treasurer
24 sells bonds pursuant to this chapter that include a bond counsel
25 opinion to the effect that the interest on the bonds is excluded
26 from gross income for federal tax purposes, subject to designated
27 conditions, the Treasurer may maintain separate accounts for the
28 investment of bond proceeds and for the investment earnings on
29 those proceeds. The Treasurer may use or direct the use of those
30 proceeds or earnings to pay any rebate, penalty, or other payment
31 required under federal law or take any other action with respect
32 to the investment and use of those bond proceeds required or
33 desirable under federal law to maintain the tax-exempt status of
34 those bonds and to obtain any other advantage under federal law
35 on behalf of the funds of this state.

36 102040. For the purposes of carrying out this chapter, the
37 Director of Finance may authorize the withdrawal from the
38 General Fund of an amount not to exceed the amount of the
39 unsold bonds that have been authorized by the State School
40 Building Finance Committee to be sold for the purpose of

carrying out this chapter. Any amounts withdrawn shall be deposited in the 2008 State School Facilities Fund consistent with this chapter. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest that the money would have earned in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this chapter.

102042. All money deposited in the 2008 State School Facilities Fund, that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

102044. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds described in this chapter includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds.

102046. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

SEC. 24. Part 68.5 (commencing with Section 103000) is added to the Education Code, to read:

PART 68.5. KINDERGARTEN-UNIVERSITY PUBLIC
EDUCATION FACILITIES BOND ACT OF 2010

CHAPTER 1. GENERAL

103000. This part shall be known and may be cited as the Kindergarten-University Public Education Facilities Bond Act of 2010.

103001. The incorporation of, or reference to, any provision of California statutory law in this part includes all acts amendatory thereof and supplementary thereto.

103002. For the purposes of this part, the “fund” is the 2010 State School Facilities Fund established in the State Treasury under subdivision (f) of Section 17070.40, unless the context clearly requires otherwise.

103003. (a) Bonds in the total amount of seven billion seven hundred million dollars (\$7,700,000,000), not including the amount of any refunding bonds issued in accordance with Sections 103044 and 103155, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this part and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) Pursuant to this section, the Treasurer shall sell the bonds authorized by the State School Building Finance Committee established by Section 15909 or the Higher Education Facilities Finance Committee established pursuant to Section 67353, as the case may be, at any different times necessary to service expenditures required by the apportionments.

CHAPTER 2. KINDERGARTEN AND GRADES 1 TO 12

Article 1. Kindergarten and Grades 1 to 12 School Facilities Program Provisions

103010. The proceeds of bonds issued and sold pursuant to Article 2 (commencing with Section 103025) shall be deposited in the 2010 State School Facilities Fund, which is established in subdivision (f) of Section 17070.40, and shall be allocated by the State Allocation Board pursuant to this chapter.

103015. All moneys deposited in the 2010 State School Facilities Fund for the purposes of this chapter shall be available and, notwithstanding any other provision of law to the contrary, are hereby continuously appropriated without regard to fiscal years to provide aid to school districts, county superintendents of schools, and county boards of education of the state in

accordance with the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10), as set forth in Section 103020, to provide funds to repay any money advanced or loaned to the 2010 State School Facilities Fund under any act of the Legislature, together with interest provided for in that act, and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

103020. (a) The proceeds from the sale of bonds, issued and sold for the purposes of this chapter, as specified in subdivision (a) of Section 103010 shall be allocated in accordance with the following schedule:

(1) The amount of two billion dollars (\$2,000,000,000) for project funding for new construction of school facilities of applicant school districts under Chapter 12.5 (commencing with Section 17070.10) of Part 10, including, but not limited to, hardship applications.

(2) The amount of two billion one hundred sixty-four million dollars (\$2,164,000,000) for the modernization of school facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10, including, but not limited to, hardship applications.

(3) The amount of four hundred sixty-eight million dollars (\$468,000,000) for the purposes set forth in Article 12 (commencing with Section 17078.50) of Chapter 12.5 of Part 10, relating to charter schools.

(4) The amount of four hundred sixty-eight million dollars (\$468,000,000) for the purposes set forth in Article 13 (commencing with Section 17078.70) of Chapter 12.5 of Part 10, relating to the Career Technical Education Facilities Program.

(b) School districts may use funds allocated pursuant to paragraph (2) of subdivision (a) only for one or more of the following purposes in accordance with Chapter 12.5 (commencing with Section 17070.10) of Part 10:

(1) The purchase and installation of air-conditioning equipment and insulation materials, and related costs.

(2) Construction projects or the purchase of furniture or equipment designed to increase school security or playground safety.

1 (3) The identification, assessment, or abatement in school
2 facilities of hazardous asbestos.

3 (4) Project funding for high priority roof replacement projects.

4 (5) Any other modernization of facilities pursuant to Chapter
5 12.5 (commencing with Section 17070.10) of Part 10.

6 (c) Funds allocated pursuant to paragraph (1) of subdivision
7 (a) may, also, be utilized to provide new construction grants for
8 eligible applicant county boards of education under Chapter 12.5
9 (commencing with Section 17070.10) of Part 10 for funding
10 classrooms for severely disabled pupils, or for funding
11 classrooms for county community school pupils.

12 (d) (1) The Legislature may amend this section to adjust the
13 funding amounts specified in paragraphs (1) to (4), inclusive, of
14 subdivision (a), only by either of the following methods:

15 (A) By a statute, passed in each house of the Legislature by
16 rollcall vote entered in the respective journals, by not less than
17 two-thirds of the membership in each house concurring, if the
18 statute is consistent with, and furthers the purposes of, this
19 chapter.

20 (B) By a statute that becomes effective only when approved by
21 the voters.

22 (2) Amendments pursuant to this subdivision may adjust the
23 amounts to be expended pursuant to paragraphs (1) to (4),
24 inclusive, of subdivision (a), but may not increase or decrease the
25 total amount to be expended pursuant to that subdivision.

26 (e) (1) From the total amounts set forth in paragraphs (1) and
27 (2) of subdivision (a), a total of no more than four hundred
28 sixteen million four hundred thousand dollars (\$416,400,000)
29 shall be used to fund the Small High School Program under
30 Article 14 (commencing with Section 17078.80).

31 (2) From the total amounts set forth in paragraphs (1) and (2)
32 of subdivision (a), a total of no more than twenty million dollars
33 (\$20,000,000) may be used for the costs of energy conservation
34 adjustments authorized pursuant to Section 17077.35.

35 (f) Funds available pursuant to this section may be used for
36 acquisition of school facilities authorized pursuant to Section
37 17280.5.

1 Article 2. Kindergarten and Grades 1 to 12 School Facilities
2 Fiscal Provisions
3

4 103025. (a) Of the total amount of bonds authorized to be
5 issued and sold pursuant to Chapter 1 (commencing with Section
6 103000), bonds in the total amount of five billion one hundred
7 million dollars (\$5,100,000,000), not including the amount of
8 any refunding bonds issued in accordance with Section 103044,
9 or so much thereof as is necessary, may be issued and sold to
10 provide a fund to be used for carrying out the purposes expressed
11 in this chapter and to reimburse the General Obligation Bond
12 Expense Revolving Fund pursuant to Section 16724.5 of the
13 Government Code. The bonds, when sold, shall be and constitute
14 a valid and binding obligation of the State of California, and the
15 full faith and credit of the State of California is hereby pledged
16 for the punctual payment of the principal of, and interest on, the
17 bonds as the principal and interest become due and payable.

18 (b) Pursuant to this section, the Treasurer shall sell the bonds
19 authorized by the State School Building Finance Committee
20 established pursuant to Section 15909 at any different times
21 necessary to service expenditures required by the
22 apportionments.

23 103027. The State School Building Finance Committee,
24 established by Section 15909 and composed of the Governor, the
25 Controller, the Treasurer, the Director of Finance, and the
26 Superintendent of Public Instruction, or their designated
27 representatives, all of whom shall serve thereon without
28 compensation, and a majority of whom shall constitute a quorum,
29 is continued in existence for the purpose of this chapter. The
30 Treasurer shall serve as chairperson of the committee. Two
31 Members of the Senate appointed by the Senate Committee on
32 Rules, and two Members of the Assembly appointed by the
33 Speaker of the Assembly, shall meet with and provide advice to
34 the committee to the extent that the advisory participation is not
35 incompatible with their respective positions as Members of the
36 Legislature. For the purposes of this chapter, the Members of the
37 Legislature shall constitute an interim investigating committee on
38 the subject of this chapter and, as that committee, shall have the
39 powers granted to, and duties imposed upon, those committees
40 by the Joint Rules of the Senate and the Assembly. The Director

1 of Finance shall provide assistance to the committee as it may
2 require. The Attorney General of the state is the legal adviser of
3 the committee.

4 103030. (a) The bonds authorized by this chapter shall be
5 prepared, executed, issued, sold, paid, and redeemed as provided
6 in the State General Obligation Bond Law (Chapter 4
7 (commencing with Section 16720) of Part 3 of Division 4 of Title
8 2 of the Government Code), and all of the provisions of that law,
9 except Section 16727 of the Government Code, apply to the
10 bonds and to this chapter and are hereby incorporated into this
11 chapter as though set forth in full within this chapter.

12 (b) For purposes of the State General Obligation Bond Law,
13 the State Allocation Board is designated the “board” for purposes
14 of administering the 2010 State School Facilities Fund.

15 103032. Upon request of the State Allocation Board from
16 time to time, supported by a statement of the apportionments
17 made and to be made for the purposes described in Sections
18 103015 and 103020, the State School Building Finance
19 Committee shall determine whether or not it is necessary or
20 desirable to issue bonds authorized pursuant to this chapter in
21 order to fund the apportionments and, if so, the amount of bonds
22 to be issued and sold. Successive issues of bonds may be
23 authorized and sold to fund those apportionments progressively,
24 and it is not necessary that all of the bonds authorized to be
25 issued be sold at any one time.

26 103034. There shall be collected each year and in the same
27 manner and at the same time as other state revenue is collected,
28 in addition to the ordinary revenues of the state, a sum in an
29 amount required to pay the principal of, and interest on, the
30 bonds each year. It is the duty of all officers charged by law with
31 any duty in regard to the collection of the revenue to do and
32 perform each and every act that is necessary to collect that
33 additional sum.

34 103035. Notwithstanding Section 13340 of the Government
35 Code, there is hereby appropriated from the General Fund in the
36 State Treasury, for the purposes of this chapter, an amount that
37 will equal the total of the following:

38 (a) The sum annually necessary to pay the principal of, and
39 interest on, bonds issued and sold pursuant to this chapter, as the
40 principal and interest become due and payable.

1 (b) The sum necessary to carry out Section 103040,
2 appropriated without regard to fiscal years.

3 103036. The State Allocation Board may request the Pooled
4 Money Investment Board to make a loan from the Pooled Money
5 Investment Account or any other approved form of interim
6 financing, in accordance with Section 16312 of the Government
7 Code, for the purpose of carrying out this chapter. The amount of
8 the request shall not exceed the amount of the unsold bonds that
9 the committee, by resolution, has authorized to be sold for the
10 purpose of carrying out this chapter. The board shall execute any
11 documents required by the Pooled Money Investment Board to
12 obtain and repay the loan. Any amounts loaned shall be deposited
13 in the fund to be allocated by the board in accordance with this
14 chapter.

15 103038. Notwithstanding any other provision of this chapter,
16 or of the State General Obligation Bond Law, if the Treasurer
17 sells bonds pursuant to this chapter that include a bond counsel
18 opinion to the effect that the interest on the bonds is excluded
19 from gross income for federal tax purposes, subject to designated
20 conditions, the Treasurer may maintain separate accounts for the
21 investment of bond proceeds and for the investment earnings on
22 those proceeds. The Treasurer may use or direct the use of those
23 proceeds or earnings to pay any rebate, penalty, or other payment
24 required under federal law or take any other action with respect
25 to the investment and use of those bond proceeds required or
26 desirable under federal law to maintain the tax-exempt status of
27 those bonds and to obtain any other advantage under federal law
28 on behalf of the funds of this state.

29 103040. For the purposes of carrying out this chapter, the
30 Director of Finance may authorize the withdrawal from the
31 General Fund of an amount not to exceed the amount of the
32 unsold bonds that have been authorized by the State School
33 Building Finance Committee to be sold for the purpose of
34 carrying out this chapter. Any amounts withdrawn shall be
35 deposited in the 2010 State School Facilities Fund consistent
36 with this chapter. Any money made available under this section
37 shall be returned to the General Fund, plus an amount equal to
38 the interest that the money would have earned in the Pooled
39 Money Investment Account, from proceeds received from the
40 sale of bonds for the purpose of carrying out this chapter.

1 103042. All money deposited in the 2010 State School
2 Facilities Fund, that is derived from premium and accrued
3 interest on bonds sold shall be reserved in the fund and shall be
4 available for transfer to the General Fund as a credit to
5 expenditures for bond interest.

6 103044. The bonds may be refunded in accordance with
7 Article 6 (commencing with Section 16780) of Chapter 4 of Part
8 3 of Division 4 of Title 2 of the Government Code, which is a
9 part of the State General Obligation Bond Law. Approval by the
10 voters of the state for the issuance of the bonds described in this
11 chapter includes the approval of the issuance of any bonds issued
12 to refund any bonds originally issued under this chapter or any
13 previously issued refunding bonds.

14 103046. The Legislature hereby finds and declares that,
15 inasmuch as the proceeds from the sale of bonds authorized by
16 this chapter are not “proceeds of taxes” as that term is used in
17 Article XIII B of the California Constitution, the disbursement of
18 these proceeds is not subject to the limitations imposed by that
19 article.

20 21 CHAPTER 3. HIGHER EDUCATION FACILITIES

22 23 Article 1. General

24
25 103050. (a) The system of public higher education in this
26 state includes the University of California, the Hastings College
27 of the Law, the California State University, the California
28 Community Colleges, and their respective off-campus centers.

29 (b) The 2010 Higher Education Capital Outlay Bond Fund is
30 hereby established in the State Treasury for deposit of funds from
31 the proceeds of bonds issued and sold for the purposes of this
32 chapter.

33 (c) The Higher Education Facilities Finance Committee
34 established pursuant to Section 67353 is hereby authorized to
35 create a debt or debts, liability or liabilities, of the State of
36 California pursuant to this chapter for the purpose of providing
37 funds to aid the University of California, the Hastings College of
38 the Law, the California State University, and the California
39 Community Colleges.

1 Article 2. Program Provisions Applicable to the University of
2 California and the Hastings College of the Law
3

4 103052. (a) From the proceeds of bonds issued and sold
5 pursuant to Article 5 (commencing with Section 103100), the
6 sum of one billion dollars (\$1,000,000,000) shall be deposited in
7 the 2010 Higher Education Capital Outlay Bond Fund for the
8 purposes of this article. When appropriated, these funds shall be
9 available for expenditure for the purposes of this article.

10 (b) The purposes of this article include assisting in meeting the
11 capital outlay financing needs of the University of California and
12 the Hastings College of the Law.

13 (c) Of the amount made available under subdivision (a), the
14 amount of two hundred million dollars (\$200,000,000) shall be
15 used for capital improvements that expand and enhance medical
16 education programs with an emphasis on telemedicine aimed at
17 developing high-tech approaches to health care.

18 (d) Proceeds from the sale of bonds issued and sold for the
19 purposes of this article may be used to fund construction on
20 existing campuses, including the construction of buildings and
21 the acquisition of related fixtures, construction of facilities that
22 may be used by more than one segment of public higher
23 education (intersegmental), the renovation and reconstruction of
24 facilities, capital renewal, including, but not limited to, the
25 systematic replacement of mechanical, electrical, and plumbing
26 building systems or shells that have exceeded their useful life
27 based on manufacturer's standards, site acquisition, the
28 equipping of new, renovated, or reconstructed facilities, which
29 equipment shall have an average useful life of 10 years; and to
30 provide funds for the payment of preconstruction costs,
31 including, but not limited to, preliminary plans and working
32 drawings for facilities of the University of California and the
33 Hastings College of the Law.

34 (e) Of the amount deposited in the 2010 Higher Education
35 Capital Outlay Bond Fund, two and one-half percent shall be set
36 aside and used to pay the costs for the administration of these
37 funds. After all of the bonds have been sold, any unused portion
38 of the two and one-half percent administrative cost reserve may
39 be used to fund capital outlay projects in accordance with
40 subdivision (d).

1 Article 3. Program Provisions Applicable to the California
2 State University
3

4 103053. (a) From the proceeds of bonds issued and sold
5 pursuant to Article 5 (commencing with Section 103100), the
6 sum of eight hundred million dollars (\$800,000,000) shall be
7 deposited in the 2010 Higher Education Capital Outlay Bond
8 Fund for the purposes of this article. When appropriated, these
9 funds shall be available for expenditure for the purposes of this
10 article.

11 (b) The purposes of this article include assisting in meeting the
12 capital outlay financing needs of the California State University.

13 (c) Proceeds from the sale of bonds issued and sold for the
14 purposes of this article may be used to fund construction on
15 existing campuses, including the construction of buildings and
16 the acquisition of related fixtures, construction of facilities that
17 may be used by more than one segment of public higher
18 education (intersegmental), the renovation and reconstruction of
19 facilities, capital renewal, including, but not limited to, the
20 systematic replacement of mechanical, electrical, and plumbing
21 building systems or shells that have exceeded their useful life
22 based on manufacturer's standards, site acquisition, the
23 equipping of new, renovated, or reconstructed facilities, which
24 equipment shall have an average useful life of 10 years; and to
25 provide funds for the payment of preconstruction costs,
26 including, but not limited to, preliminary plans and working
27 drawings for facilities of the California State University.

28 (d) Of the amount deposited in the 2010 Higher Education
29 Capital Outlay Bond Fund, two and one-half percent shall be set
30 aside and used to pay the costs for the administration of these
31 funds. After all of the bonds have been sold, any unused portion
32 of the two and one-half percent administrative cost reserve may
33 be used to fund capital outlay projects in accordance with
34 subdivision (c).
35

36 Article 4. Program Provisions Applicable to the California
37 Community Colleges
38

39 103054. (a) From the proceeds of bonds issued and sold
40 pursuant to Article 5 (commencing with Section 103100), the

sum of eight hundred million dollars (\$800,000,000) shall be deposited in the 2010 Higher Education Capital Outlay Bond Fund for the purposes of this article. When appropriated, these funds shall be available for expenditure for the purposes of this article.

(b) The purposes of this article include assisting in meeting the capital outlay financing needs of the California Community Colleges.

(c) Proceeds from the sale of bonds issued and sold for the purposes of this article may be used to fund construction on existing campuses, including the construction of buildings and the acquisition of related fixtures, construction of facilities that may be used by more than one segment of public higher education (intersegmental), the renovation and reconstruction of facilities, capital renewal, including, but not limited to, the systematic replacement of mechanical, electrical, and plumbing building systems or shells that have exceeded their useful life based on manufacturer's standards, site acquisition, the equipping of new, renovated, or reconstructed facilities, which equipment shall have an average useful life of 10 years; and to provide funds for the payment of preconstruction costs, including, but not limited to, preliminary plans and working drawings for facilities of the California Community Colleges.

(d) Of the amount deposited in the 2010 Higher Education Capital Outlay Bond Fund, two and one-half percent shall be set aside and used to pay the costs for the administration of these funds. After all the bonds have been sold, any unused portion of the two and one-half percent administrative cost reserve may be used to fund capital outlay projects in accordance with subdivision (c).

Article 5. Higher Education Fiscal Provisions

103100. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 103000), bonds in the total amount of two billion six hundred million dollars (\$2,600,000,000), not including the amount of any refunding bonds issued in accordance with Section 103155, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed

1 in this chapter and to reimburse the General Obligation Bond
2 Expense Revolving Fund pursuant to Section 16724.5 of the
3 Government Code. The bonds, when sold, shall be and constitute
4 a valid and binding obligation of the State of California, and the
5 full faith and credit of the State of California is hereby pledged
6 for the punctual payment of the principal of, and interest on, the
7 bonds as the principal and interest become due and payable.

8 (b) It is the intent of the Legislature that the University of
9 California, the California State University, and the California
10 Community Colleges annually consider, as part of their annual
11 capital outlay planning process, the inclusion of facilities that
12 may be used by more than one segment of public higher
13 education (intersegmental), and, that on or before May 15th of
14 each year, those entities report their findings to the budget
15 committees of each house of the Legislature.

16 (c) Pursuant to this section, the Treasurer shall sell the bonds
17 authorized by the Higher Education Facilities Finance Committee
18 established pursuant to Section 67353 at any different times
19 necessary to service expenditures required by the
20 apportionments.

21 103110. (a) The bonds authorized by this chapter shall be
22 prepared, executed, issued, sold, paid, and redeemed as provided
23 in the State General Obligation Bond Law (Chapter 4
24 (commencing with Section 16720) of Part 3 of Division 4 of Title
25 2 of the Government Code), and all of the provisions of that law,
26 except Section 16727 of the Government Code, apply to the
27 bonds and to this chapter and are hereby incorporated into this
28 chapter as though set forth in full within this chapter.

29 (b) For the purposes of the State General Obligation Bond
30 Law, each state agency administering an appropriation of the
31 2010 Higher Education Capital Outlay Bond Fund is designated
32 as the “board” for projects funded pursuant to this chapter.

33 (c) The proceeds of the bonds issued and sold pursuant to this
34 chapter shall be available for the purpose of funding aid to the
35 University of California, the Hastings College of the Law, the
36 California State University, and the California Community
37 Colleges, for the construction on existing or new campuses, and
38 their respective off-campus centers and joint use and
39 intersegmental facilities, as set forth in this chapter.

103120. The Higher Education Facilities Finance Committee established pursuant to Section 67353 shall authorize the issuance of bonds under this chapter only to the extent necessary to fund the apportionments for the purposes described in this chapter that are expressly authorized by the Legislature. Pursuant to that legislative direction, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the purposes described in this chapter and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

103125. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

103130. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum necessary to carry out Section 103145, appropriated without regard to fiscal years.

103135. The board, as defined in subdivision (b) of Section 103110, may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account or any other approved form of interim financing, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this chapter. The board, as defined in subdivision (b) of Section 103110, shall execute any documents required by the

1 Pooled Money Investment Board to obtain and repay the loan.
2 Any amounts loaned shall be deposited in the fund to be
3 allocated by the board in accordance with this chapter.

4 103140. Notwithstanding any other provision of this chapter,
5 or of the State General Obligation Bond Law, if the Treasurer
6 sells bonds pursuant to this chapter that include a bond counsel
7 opinion to the effect that the interest on the bonds is excluded
8 from gross income for federal tax purposes, subject to designated
9 conditions, the Treasurer may maintain separate accounts for the
10 investment of bond proceeds and for the investment earnings on
11 those proceeds. The Treasurer may use or direct the use of those
12 proceeds or earnings to pay any rebate, penalty, or other payment
13 required under federal law or take any other action with respect
14 to the investment and use of those bond proceeds required or
15 desirable under federal law to maintain the tax-exempt status of
16 those bonds and to obtain any other advantage under federal law
17 on behalf of the funds of this state.

18 103145. (a) For the purposes of carrying out this chapter, the
19 Director of Finance may authorize the withdrawal from the
20 General Fund of an amount not to exceed the amount of the
21 unsold bonds that have been authorized by the Higher Education
22 Facilities Finance Committee to be sold for the purpose of
23 carrying out this chapter. Any amounts withdrawn shall be
24 deposited in the 2010 Higher Education Capital Outlay Bond
25 Fund consistent with this chapter. Any money made available
26 under this section shall be returned to the General Fund, plus an
27 amount equal to the interest that the money would have earned in
28 the Pooled Money Investment Account, from proceeds received
29 from the sale of bonds for the purpose of carrying out this
30 chapter.

31 (b) Any request forwarded to the Legislature and the
32 Department of Finance for funds from this bond issue for
33 expenditure for the purposes described in this chapter by the
34 University of California, the Hastings College of the Law, the
35 California State University, or the California Community
36 Colleges shall be accompanied by the five-year capital outlay
37 plan. Requests forwarded by a university or college shall include
38 a schedule that prioritizes the seismic retrofitting needed to
39 significantly reduce, in the judgment of the particular university
40 or college, seismic hazards in buildings identified as high priority

1 by the university or college. Requests forwarded by the
2 California Community Colleges shall be accompanied by a
3 five-year capital outlay plan reflecting the needs and priorities of
4 the community college system, prioritized on a statewide basis.

5 103150. All money deposited in the 2010 Higher Education
6 Capital Outlay Bond Fund that is derived from premium and
7 accrued interest on bonds sold shall be reserved in the fund and
8 shall be available for transfer to the General Fund as a credit to
9 expenditures for bond interest.

10 103155. The bonds may be refunded in accordance with
11 Article 6 (commencing with Section 16780) of Chapter 4 of Part
12 3 of Division 4 of Title 2 of the Government Code, which is a
13 part of the State General Obligation Bond Law. Approval by the
14 voters of the state for the issuance of the bonds described in this
15 chapter includes the approval of the issuance of any bonds issued
16 to refund any bonds originally issued under this chapter or any
17 previously issued refunding bonds.

18 103160. The Legislature hereby finds and declares that,
19 inasmuch as the proceeds from the sale of bonds authorized by
20 this chapter are not “proceeds of taxes” as that term is used in
21 Article XIII B of the California Constitution, the disbursement of
22 these proceeds is not subject to the limitations imposed by that
23 article.

24 SEC. 25. Part 68.6 (commencing with Section 104000) is
25 added to the Education Code, to read:

26
27 PART 68.6. KINDERGARTEN-UNIVERSITY PUBLIC
28 EDUCATION FACILITIES BOND ACT OF 2012

29
30 CHAPTER 1. GENERAL

31
32 104000. This part shall be known and may be cited as the
33 Kindergarten-University Public Education Facilities Bond Act of
34 2012.

35 104001. The incorporation of, or reference to, any provision
36 of California statutory law in this part includes all acts
37 amendatory thereof and supplementary thereto.

38 104002. For the purposes of this part, the “fund” is the 2012
39 State School Facilities Fund established in the State Treasury

1 under subdivision (g) of Section 17070.40, unless the context
2 clearly requires otherwise.

3 104003. (a) Bonds in the total amount of eight billion seven
4 hundred million dollars (\$8,700,000,000), not including the
5 amount of any refunding bonds issued in accordance with
6 Sections 104044 and 104155, or so much thereof as is necessary,
7 may be issued and sold to provide a fund to be used for carrying
8 out the purposes expressed in this part and to reimburse the
9 General Obligation Bond Expense Revolving Fund pursuant to
10 Section 16724.5 of the Government Code. The bonds, when sold,
11 shall be and constitute a valid and binding obligation of the State
12 of California, and the full faith and credit of the State of
13 California is hereby pledged for the punctual payment of the
14 principal of, and interest on, the bonds as the principal and
15 interest become due and payable.

16 (b) Pursuant to this section, the Treasurer shall sell the bonds
17 authorized by the State School Building Finance Committee
18 established by Section 15909 or the Higher Education Facilities
19 Finance Committee established pursuant to Section 67353, as the
20 case may be, at any different times necessary to service
21 expenditures required by the apportionments.

22 CHAPTER 2. KINDERGARTEN AND GRADES 1 TO 12

23 Article 1. Kindergarten and Grades 1 to 12 School Facilities 24 Program Provisions

25 104010. The proceeds of bonds issued and sold pursuant to
26 Article 2 (commencing with Section 104025) shall be deposited
27 in the 2012 State School Facilities Fund, which is established in
28 subdivision (g) of Section 17070.40, and shall be allocated by the
29 State Allocation Board pursuant to this chapter.

30 104015. All moneys deposited in the 2012 State School
31 Facilities Fund for the purposes of this chapter shall be available
32 and, notwithstanding any other provision of law to the contrary,
33 are hereby continuously appropriated without regard to fiscal
34 years to provide aid to school districts, county superintendents of
35 schools, and county boards of education of the state in
36 accordance with the Leroy F. Greene School Facilities Act of
37 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part
38
39
40

10), as set forth in Section 104020, to provide funds to repay any money advanced or loaned to the 2012 State School Facilities Fund under any act of the Legislature, together with interest provided for in that act, and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code.

104020. (a) The proceeds from the sale of bonds, issued and sold for the purposes of this chapter, as specified in subdivision (a) of Section 104010 shall be allocated in accordance with the following schedule:

(1) The amount of one billion seven hundred million dollars (\$1,700,000,000) for project funding for new construction of school facilities of applicant school districts under Chapter 12.5 (commencing with Section 17070.10) of Part 10, including, but not limited to, hardship applications.

(2) The amount of two billion three hundred sixty-eight million dollars (\$2,368,000,000) for the modernization of school facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10, including, but not limited to, hardship applications.

(3) The amount of four hundred sixty-six million dollars (\$466,000,000) for the purposes set forth in Article 12 (commencing with Section 17078.50) of Chapter 12.5 of Part 10, relating to charter schools.

(4) The amount of four hundred sixty-six million dollars (\$466,000,000) for the purposes set forth in Article 13 (commencing with Section 17078.70) of Chapter 12.5 of Part 10, relating to the Career Technical Education Facilities Program.

(b) School districts may use funds allocated pursuant to paragraph (2) of subdivision (a) only for one or more of the following purposes in accordance with Chapter 12.5 (commencing with Section 17070.10) of Part 10:

(1) The purchase and installation of air-conditioning equipment and insulation materials, and related costs.

(2) Construction projects or the purchase of furniture or equipment designed to increase school security or playground safety.

(3) The identification, assessment, or abatement in school facilities of hazardous asbestos.

(4) Project funding for high priority roof replacement projects.

(5) Any other modernization of facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10.

(c) Funds allocated pursuant to paragraph (1) of subdivision (a) may, also, be utilized to provide new construction grants for eligible applicant county boards of education under Chapter 12.5 (commencing with Section 17070.10) of Part 10 for funding classrooms for severely disabled pupils, or for funding classrooms for county community school pupils.

(d) (1) The Legislature may amend this section to adjust the funding amounts specified in paragraphs (1) to (4), inclusive, of subdivision (a), only by either of the following methods:

(A) By a statute, passed in each house of the Legislature by rollcall vote entered in the respective journals, by not less than two-thirds of the membership in each house concurring, if the statute is consistent with, and furthers the purposes of, this chapter.

(B) By a statute that becomes effective only when approved by the voters.

(2) Amendments pursuant to this subdivision may adjust the amounts to be expended pursuant to paragraphs (1) to (4), inclusive, of subdivision (a), but may not increase or decrease the total amount to be expended pursuant to that subdivision.

(e)(1) From the total amounts set forth in paragraphs (1) and (2) of subdivision (a), a total of no more than four hundred six million eight hundred thousand dollars (\$406,800,000) shall be used to fund the Small High School Program under Article 14 (commencing with Section 17078.80).

(2) From the total amounts set forth in paragraphs (1) and (2) of subdivision (a), a total of no more than twenty million dollars (\$20,000,000) may be used for the costs of energy conservation adjustments authorized pursuant to Section 17077.35.

(f) Funds available pursuant to this section may be used for acquisition of school facilities authorized pursuant to Section 17280.5.

Article 2. Kindergarten and Grades 1 to 12 School Facilities Fiscal Provisions

104025. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section

1 104000), bonds in the total amount of five billion dollars
 2 (\$5,000,000,000), not including the amount of any refunding
 3 bonds issued in accordance with Section 104044, or so much
 4 thereof as is necessary, may be issued and sold to provide a fund
 5 to be used for carrying out the purposes expressed in this chapter
 6 and to reimburse the General Obligation Bond Expense
 7 Revolving Fund pursuant to Section 16724.5 of the Government
 8 Code. The bonds, when sold, shall be and constitute a valid and
 9 binding obligation of the State of California, and the full faith
 10 and credit of the State of California is hereby pledged for the
 11 punctual payment of the principal of, and interest on, the bonds
 12 as the principal and interest become due and payable.

13 (b) Pursuant to this section, the Treasurer shall sell the bonds
 14 authorized by the State School Building Finance Committee
 15 established pursuant to Section 15909 at any different times
 16 necessary to service expenditures required by the
 17 apportionments.

18 104027. The State School Building Finance Committee,
 19 established by Section 15909 and composed of the Governor, the
 20 Controller, the Treasurer, the Director of Finance, and the
 21 Superintendent, or their designated representatives, all of whom
 22 shall serve thereon without compensation, and a majority of
 23 whom shall constitute a quorum, is continued in existence for the
 24 purpose of this chapter. The Treasurer shall serve as chairperson
 25 of the committee. Two Members of the Senate appointed by the
 26 Senate Committee on Rules, and two Members of the Assembly
 27 appointed by the Speaker of the Assembly, shall meet with and
 28 provide advice to the committee to the extent that the advisory
 29 participation is not incompatible with their respective positions
 30 as Members of the Legislature. For the purposes of this chapter,
 31 the Members of the Legislature shall constitute an interim
 32 investigating committee on the subject of this chapter and, as that
 33 committee, shall have the powers granted to, and duties imposed
 34 upon, those committees by the Joint Rules of the Senate and the
 35 Assembly. The Director of Finance shall provide assistance to
 36 the committee as it may require. The Attorney General of the
 37 state is the legal adviser of the committee.

38 104030. (a) The bonds authorized by this chapter shall be
 39 prepared, executed, issued, sold, paid, and redeemed as provided
 40 in the State General Obligation Bond Law (Chapter 4

(commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law, except Section 16727 of the Government Code, apply to the bonds and to this chapter and are hereby incorporated into this chapter as though set forth in full within this chapter.

(b) For purposes of the State General Obligation Bond Law, the State Allocation Board is designated the “board” for purposes of administering the 2012 State School Facilities Fund.

104032. Upon request of the State Allocation Board from time to time, supported by a statement of the apportionments made and to be made for the purposes described in Sections 104015 and 104020, the State School Building Finance Committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to fund the apportionments and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to fund those apportionments progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

104034. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

104035. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum necessary to carry out Section 104040, appropriated without regard to fiscal years.

104036. The State Allocation Board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account or any other approved form of interim financing, in accordance with Section 16312 of the Government

Code, for the purpose of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this chapter. The board shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

104038. Notwithstanding any other provision of this chapter, or of the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, subject to designated conditions, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the investment earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

104040. For the purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount not to exceed the amount of the unsold bonds that have been authorized by the State School Building Finance Committee to be sold for the purpose of carrying out this chapter. Any amounts withdrawn shall be deposited in the 2012 State School Facilities Fund consistent with this chapter. Any money made available under this section shall be returned to the General Fund, plus an amount equal to the interest that the money would have earned in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this chapter.

104042. All money deposited in the 2012 State School Facilities Fund, that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

104044. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds described in this chapter includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this chapter or any previously issued refunding bonds.

104046. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

CHAPTER 3. HIGHER EDUCATION FACILITIES

Article 1. General

104050. (a) The system of public higher education in this state includes the University of California, the Hastings College of the Law, the California State University, the California Community Colleges, and their respective off-campus centers.

(b) The 2012 Higher Education Capital Outlay Bond Fund is hereby established in the State Treasury for deposit of funds from the proceeds of bonds issued and sold for the purposes of this chapter.

(c) The Higher Education Facilities Finance Committee established pursuant to Section 67353 is hereby authorized to create a debt or debts, liability or liabilities, of the State of California pursuant to this chapter for the purpose of providing funds to aid the University of California, the Hastings College of the Law, the California State University, and the California Community Colleges.

Article 2. Program Provisions Applicable to the University of California and the Hastings College of the Law

104052. (a) From the proceeds of bonds issued and sold pursuant to Article 5 (commencing with Section 104100), the

1 sum of one billion two hundred thirty-three million three hundred
2 thirty-three thousand three hundred thirty-three dollars
3 (\$1,233,333,333) shall be deposited in the 2012 Higher
4 Education Capital Outlay Bond Fund for the purposes of this
5 article. When appropriated, these funds shall be available for
6 expenditure for the purposes of this article.

7 (b) The purposes of this article include assisting in meeting the
8 capital outlay financing needs of the University of California and
9 the Hastings College of the Law.

10 (c) Proceeds from the sale of bonds issued and sold for the
11 purposes of this article may be used to fund construction on
12 existing campuses, including the construction of buildings and
13 the acquisition of related fixtures, construction of facilities that
14 may be used by more than one segment of public higher
15 education (intersegmental), the renovation and reconstruction of
16 facilities, capital renewal, including, but not limited to, the
17 systematic replacement of mechanical, electrical, and plumbing
18 building systems or shells that have exceeded their useful life
19 based on manufacturer's standards, site acquisition, the
20 equipping of new, renovated, or reconstructed facilities, which
21 equipment shall have an average useful life of 10 years; and to
22 provide funds for the payment of preconstruction costs,
23 including, but not limited to, preliminary plans and working
24 drawings for facilities of the University of California and the
25 Hastings College of the Law.

26 (d) Of the amount deposited in the 2012 Higher Education
27 Capital Outlay Bond Fund, two and one-half percent shall be set
28 aside and used to pay the costs for the administration of these
29 funds. After all of the bonds have been sold, any unused portion
30 of the two and one-half percent administrative cost reserve may
31 be used to fund capital outlay projects in accordance with
32 subdivision (c).

33
34 Article 3. Program Provisions Applicable to the California
35 State University
36

37 104053. (a) From the proceeds of bonds issued and sold
38 pursuant to Article 5 (commencing with Section 104100), the
39 sum of one billion two hundred thirty-three million three hundred
40 thirty-three thousand three hundred thirty-three dollars

1 (\$1,233,333,333) shall be deposited in the 2012 Higher
2 Education Capital Outlay Bond Fund for the purposes of this
3 article. When appropriated, these funds shall be available for
4 expenditure for the purposes of this article.

5 (b) The purposes of this article include assisting in meeting the
6 capital outlay financing needs of the California State University.

7 (c) Proceeds from the sale of bonds issued and sold for the
8 purposes of this article may be used to fund construction on
9 existing campuses, including the construction of buildings and
10 the acquisition of related fixtures, construction of facilities that
11 may be used by more than one segment of public higher
12 education (intersegmental), the renovation and reconstruction of
13 facilities, capital renewal, including, but not limited to, the
14 systematic replacement of mechanical, electrical, and plumbing
15 building systems or shells that have exceeded their useful life
16 based on manufacturer's standards, site acquisition, the
17 equipping of new, renovated, or reconstructed facilities, which
18 equipment shall have an average useful life of 10 years; and to
19 provide funds for the payment of preconstruction costs,
20 including, but not limited to, preliminary plans and working
21 drawings for facilities of the California State University.

22 (d) Of the amount deposited in the 2012 Higher Education
23 Capital Outlay Bond Fund, two and one-half percent shall be set
24 aside and used to pay the costs for the administration of these
25 funds. After all of the bonds have been sold, any unused portion
26 of the two and one-half percent administrative cost reserve may
27 be used to fund capital outlay projects in accordance with
28 subdivision (c).

29
30 Article 4. Program Provisions Applicable to the California
31 Community Colleges
32

33 104054. (a) From the proceeds of bonds issued and sold
34 pursuant to Article 5 (commencing with Section 104100), the
35 sum of one billion two hundred thirty-three million three hundred
36 thirty-three thousand three hundred thirty-three dollars
37 (\$1,233,333,333) shall be deposited in the 2012 Higher
38 Education Capital Outlay Bond Fund for the purposes of this
39 article. When appropriated, these funds shall be available for
40 expenditure for the purposes of this article.

(b) The purposes of this article include assisting in meeting the capital outlay financing needs of the California Community Colleges.

(c) Proceeds from the sale of bonds issued and sold for the purposes of this article may be used to fund construction on existing campuses, including the construction of buildings and the acquisition of related fixtures, construction of facilities that may be used by more than one segment of public higher education (intersegmental), the renovation and reconstruction of facilities, capital renewal, including, but not limited to, the systematic replacement of mechanical, electrical, and plumbing building systems or shells that have exceeded their useful life based on manufacturer's standards, site acquisition, the equipping of new, renovated, or reconstructed facilities, which equipment shall have an average useful life of 10 years; and to provide funds for the payment of preconstruction costs, including, but not limited to, preliminary plans and working drawings for facilities of the California Community Colleges.

(d) Of the amount deposited in the 2012 Higher Education Capital Outlay Bond Fund, two and one-half percent shall be set aside and used to pay the costs for the administration of these funds. After all the bonds have been sold, any unused portion of the two and one-half percent administrative cost reserve may be used to fund capital outlay projects in accordance with subdivision (c).

Article 5. Higher Education Fiscal Provisions

104100. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 104000), bonds in the total amount of three billion seven hundred million dollars (\$3,700,000,000), not including the amount of any refunding bonds issued in accordance with Section 104155, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged

1 for the punctual payment of the principal of, and interest on, the
2 bonds as the principal and interest become due and payable.

3 (b) It is the intent of the Legislature that the University of
4 California, the California State University, and the California
5 Community Colleges annually consider, as part of their annual
6 capital outlay planning process, the inclusion of facilities that
7 may be used by more than one segment of public higher
8 education (intersegmental), and, that on or before May 15th of
9 each year, those entities report their findings to the budget
10 committees of each house of the Legislature.

11 (c) Pursuant to this section, the Treasurer shall sell the bonds
12 authorized by the Higher Education Facilities Finance Committee
13 established pursuant to Section 67353 at any different times
14 necessary to service expenditures required by the
15 apportionments.

16 104110. (a) The bonds authorized by this chapter shall be
17 prepared, executed, issued, sold, paid, and redeemed as provided
18 in the State General Obligation Bond Law (Chapter 4
19 (commencing with Section 16720) of Part 3 of Division 4 of Title
20 2 of the Government Code), and all of the provisions of that law,
21 except Section 16727 of the Government Code, apply to the
22 bonds and to this chapter and are hereby incorporated into this
23 chapter as though set forth in full within this chapter.

24 (b) For the purposes of the State General Obligation Bond
25 Law, each state agency administering an appropriation of the
26 2012 Higher Education Capital Outlay Bond Fund is designated
27 as the “board” for projects funded pursuant to this chapter.

28 (c) The proceeds of the bonds issued and sold pursuant to this
29 chapter shall be available for the purpose of funding aid to the
30 University of California, the Hastings College of the Law, the
31 California State University, and the California Community
32 Colleges, for the construction on existing or new campuses, and
33 their respective off-campus centers and joint use and
34 intersegmental facilities, as set forth in this chapter.

35 104120. The Higher Education Facilities Finance Committee
36 established pursuant to Section 67353 shall authorize the
37 issuance of bonds under this chapter only to the extent necessary
38 to fund the apportionments for the purposes described in this
39 chapter that are expressly authorized by the Legislature. Pursuant
40 to that legislative direction, the committee shall determine

whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the purposes described in this chapter and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

104125. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

104130. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum necessary to carry out Section 104145, appropriated without regard to fiscal years.

104135. The board, as defined in subdivision (b) of Section 104110, may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account or any other approved form of interim financing, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this chapter. The board, as defined in subdivision (b) of Section 104110, shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

104140. Notwithstanding any other provision of this chapter, or of the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel

1 opinion to the effect that the interest on the bonds is excluded
2 from gross income for federal tax purposes, subject to designated
3 conditions, the Treasurer may maintain separate accounts for the
4 investment of bond proceeds and for the investment earnings on
5 those proceeds. The Treasurer may use or direct the use of those
6 proceeds or earnings to pay any rebate, penalty, or other payment
7 required under federal law or take any other action with respect
8 to the investment and use of those bond proceeds required or
9 desirable under federal law to maintain the tax-exempt status of
10 those bonds and to obtain any other advantage under federal law
11 on behalf of the funds of this state.

12 104145. (a) For the purposes of carrying out this chapter, the
13 Director of Finance may authorize the withdrawal from the
14 General Fund of an amount not to exceed the amount of the
15 unsold bonds that have been authorized by the Higher Education
16 Facilities Finance Committee to be sold for the purpose of
17 carrying out this chapter. Any amounts withdrawn shall be
18 deposited in the 2012 Higher Education Capital Outlay Bond
19 Fund consistent with this chapter. Any money made available
20 under this section shall be returned to the General Fund, plus an
21 amount equal to the interest that the money would have earned in
22 the Pooled Money Investment Account, from proceeds received
23 from the sale of bonds for the purpose of carrying out this
24 chapter.

25 (b) Any request forwarded to the Legislature and the
26 Department of Finance for funds from this bond issue for
27 expenditure for the purposes described in this chapter by the
28 University of California, the Hastings College of the Law, the
29 California State University, or the California Community
30 Colleges shall be accompanied by the five-year capital outlay
31 plan. Requests forwarded by a university or college shall include
32 a schedule that prioritizes the seismic retrofitting needed to
33 significantly reduce, in the judgment of the particular university
34 or college, seismic hazards in buildings identified as high priority
35 by the university or college. Requests forwarded by the
36 California Community Colleges shall be accompanied by a
37 five-year capital outlay plan reflecting the needs and priorities of
38 the community college system, prioritized on a statewide basis.

39 104150. All money deposited in the 2012 Higher Education
40 Capital Outlay Bond Fund that is derived from premium and

1 accrued interest on bonds sold shall be reserved in the fund and
2 shall be available for transfer to the General Fund as a credit to
3 expenditures for bond interest.

4 104155. The bonds may be refunded in accordance with
5 Article 6 (commencing with Section 16780) of Chapter 4 of Part
6 3 of Division 4 of Title 2 of the Government Code, which is a
7 part of the State General Obligation Bond Law. Approval by the
8 voters of the state for the issuance of the bonds described in this
9 chapter includes the approval of the issuance of any bonds issued
10 to refund any bonds originally issued under this chapter or any
11 previously issued refunding bonds.

12 104160. The Legislature hereby finds and declares that,
13 inasmuch as the proceeds from the sale of bonds authorized by
14 this chapter are not “proceeds of taxes” as that term is used in
15 Article XIII B of the California Constitution, the disbursement of
16 these proceeds is not subject to the limitations imposed by that
17 article.

18 SEC. 26. Part 68.7 (commencing with Section 105000) is
19 added to the Education Code, to read:

20
21 PART 68.7. KINDERGARTEN AND GRADES 1 TO 12
22 PUBLIC EDUCATION FACILITIES BOND ACT OF 2014

23
24 CHAPTER 1. GENERAL
25

26 105000. This part shall be known and may be cited as the
27 Kindergarten and Grades 1 to 12 Public Education Facilities
28 Bond Act of 2014.

29 105001. The incorporation of, or reference to, any provision
30 of California statutory law in this part includes all acts
31 amendatory thereof and supplementary thereto.

32 105002. For the purposes of this part, the “fund” is the 2014
33 State School Facilities Fund established in the State Treasury
34 under subdivision (h) of Section 17070.40, unless the context
35 clearly requires otherwise.

36 105003. (a) Bonds in the total amount of five billion dollars
37 (\$5,000,000,000), not including the amount of any refunding
38 bonds issued in accordance with Sections 105044, or so much
39 thereof as is necessary, may be issued and sold to provide a fund
40 to be used for carrying out the purposes expressed in this part and

1 to reimburse the General Obligation Bond Expense Revolving
2 Fund pursuant to Section 16724.5 of the Government Code. The
3 bonds, when sold, shall be and constitute a valid and binding
4 obligation of the State of California, and the full faith and credit
5 of the State of California is hereby pledged for the punctual
6 payment of the principal of, and interest on, the bonds as the
7 principal and interest become due and payable.

8 (b) Pursuant to this section, the Treasurer shall sell the bonds
9 authorized by the State School Building Finance Committee
10 established by Section 15909 or the Higher Education Facilities
11 Finance Committee established pursuant to Section 67353, as the
12 case may be, at any different times necessary to service
13 expenditures required by the apportionments.

14
15 CHAPTER 2. KINDERGARTEN THROUGH 12TH GRADE

16
17 Article 1. Kindergarten Through 12th Grade School Facilities
18 Program Provisions
19

20 105010. The proceeds of bonds issued and sold pursuant to
21 Article 2 (commencing with Section 105025) shall be deposited
22 in the 2014 State School Facilities Fund, which is established in
23 subdivision (h) of Section 17070.40, and shall be allocated by the
24 State Allocation Board pursuant to this chapter.

25 105015. All moneys deposited in the 2014 State School
26 Facilities Fund for the purposes of this chapter shall be available
27 and, notwithstanding any other provision of law to the contrary,
28 are hereby continuously appropriated without regard to fiscal
29 years to provide aid to school districts, county superintendents of
30 schools, and county boards of education of the state in
31 accordance with the Leroy F. Greene School Facilities Act of
32 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part
33 10), as set forth in Section 105020, to provide funds to repay any
34 money advanced or loaned to the 2014 State School Facilities
35 Fund under any act of the Legislature, together with interest
36 provided for in that act, and to reimburse the General Obligation
37 Bond Expense Revolving Fund pursuant to Section 16724.5 of
38 the Government Code.

39 105020. (a) The proceeds from the sale of bonds, issued and
40 sold for the purposes of this chapter, as specified in subdivision

(a) of Section 105010 shall be allocated in accordance with the following schedule:

(1) The amount of one billion dollars (\$1,000,000,000) for project funding for new construction of school facilities of applicant school districts under Chapter 12.5 (commencing with Section 17070.10) of Part 10, including, but not limited to, hardship applications.

(2) The amount of three billion sixty-eight million dollars (\$3,068,000,000) for the modernization of school facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10, including, but not limited to, hardship applications.

(3) The amount of four hundred sixty-six million dollars (\$466,000,000) for the purposes set forth in Article 12 (commencing with Section 17078.50) of Chapter 12.5 of Part 10, relating to charter schools.

(4) The amount of four hundred sixty-six million dollars (\$466,000,000) for the purposes set forth in Article 13 (commencing with Section 17078.70) of Chapter 12.5 of Part 10, relating to the Career Technical Education Facilities Program.

(b) School districts may use funds allocated pursuant to paragraph (2) of subdivision (a) only for one or more of the following purposes in accordance with Chapter 12.5 (commencing with Section 17070.10) of Part 10:

(1) The purchase and installation of air-conditioning equipment and insulation materials, and related costs.

(2) Construction projects or the purchase of furniture or equipment designed to increase school security or playground safety.

(3) The identification, assessment, or abatement in school facilities of hazardous asbestos.

(4) Project funding for high priority roof replacement projects.

(5) Any other modernization of facilities pursuant to Chapter 12.5 (commencing with Section 17070.10) of Part 10.

(c) Funds allocated pursuant to paragraph (1) of subdivision (a) may, also, be utilized to provide new construction grants for eligible applicant county boards of education under Chapter 12.5 (commencing with Section 17070.10) of Part 10 for funding classrooms for severely disabled pupils, or for funding classrooms for county community school pupils.

(d) (1) The Legislature may amend this section to adjust the funding amounts specified in paragraphs (1) to (4), inclusive, of subdivision (a), only by either of the following methods:

(A) By a statute, passed in each house of the Legislature by rollcall vote entered in the respective journals, by not less than two-thirds of the membership in each house concurring, if the statute is consistent with, and furthers the purposes of, this chapter.

(B) By a statute that becomes effective only when approved by the voters.

(2) Amendments pursuant to this subdivision may adjust the amounts to be expended pursuant to paragraphs (1) to (4), inclusive, of subdivision (a), but may not increase or decrease the total amount to be expended pursuant to that subdivision.

(e) (1) From the total amounts set forth in paragraphs (1) and (2) of subdivision (a), a total of no more than four hundred six million eight hundred thousand dollars (\$406,800,000) shall be used to fund the Small High School Program under Article 14 (commencing with Section 17078.80).

(2) From the total amounts set forth in paragraphs (1) and (2) of subdivision (a), a total of no more than twenty million dollars (\$20,000,000) may be used for the costs of energy conservation adjustments authorized pursuant to Section 17077.35.

(f) Funds available pursuant to this section may be used for acquisition of school facilities authorized pursuant to Section 17280.5.

Article 2. Kindergarten and Grades 1 to 12 School Facilities Fiscal Provisions

105025. (a) Of the total amount of bonds authorized to be issued and sold pursuant to Chapter 1 (commencing with Section 105000), bonds in the total amount of five billion dollars (\$5,000,000,000), not including the amount of any refunding bonds issued in accordance with Section 105044, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and

1 binding obligation of the State of California, and the full faith
2 and credit of the State of California is hereby pledged for the
3 punctual payment of the principal of, and interest on, the bonds
4 as the principal and interest become due and payable.

5 (b) Pursuant to this section, the Treasurer shall sell the bonds
6 authorized by the State School Building Finance Committee
7 established pursuant to Section 15909 at any different times
8 necessary to service expenditures required by the
9 apportionments.

10 105027. The State School Building Finance Committee,
11 established by Section 15909 and composed of the Governor, the
12 Controller, the Treasurer, the Director of Finance, and the
13 Superintendent of Public Instruction, or their designated
14 representatives, all of whom shall serve thereon without
15 compensation, and a majority of whom shall constitute a quorum,
16 is continued in existence for the purpose of this chapter. The
17 Treasurer shall serve as chairperson of the committee. Two
18 Members of the Senate appointed by the Senate Committee on
19 Rules, and two Members of the Assembly appointed by the
20 Speaker of the Assembly, shall meet with and provide advice to
21 the committee to the extent that the advisory participation is not
22 incompatible with their respective positions as Members of the
23 Legislature. For the purposes of this chapter, the Members of the
24 Legislature shall constitute an interim investigating committee on
25 the subject of this chapter and, as that committee, shall have the
26 powers granted to, and duties imposed upon, those committees
27 by the Joint Rules of the Senate and the Assembly. The Director
28 of Finance shall provide assistance to the committee as it may
29 require. The Attorney General of the state is the legal adviser of
30 the committee.

31 105030. (a) The bonds authorized by this chapter shall be
32 prepared, executed, issued, sold, paid, and redeemed as provided
33 in the State General Obligation Bond Law (Chapter 4
34 (commencing with Section 16720) of Part 3 of Division 4 of Title
35 2 of the Government Code), and all of the provisions of that law,
36 except Section 16727 of the Government Code, apply to the
37 bonds and to this chapter and are hereby incorporated into this
38 chapter as though set forth in full within this chapter.

(b) For purposes of the State General Obligation Bond Law, the State Allocation Board is designated the “board” for purposes of administering the 2014 State School Facilities Fund.

105032. Upon request of the State Allocation Board from time to time, supported by a statement of the apportionments made and to be made for the purposes described in Sections 105015 and 105020, the State School Building Finance Committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to fund the apportionments and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to fund those apportionments progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

105034. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

105035. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

(b) The sum necessary to carry out Section 105040, appropriated without regard to fiscal years.

105036. The State Allocation Board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account or any other approved form of interim financing, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this chapter. The board shall execute any documents required by the Pooled Money Investment Board to

1 obtain and repay the loan. Any amounts loaned shall be deposited
2 in the fund to be allocated by the board in accordance with this
3 chapter.

4 105038. Notwithstanding any other provision of this chapter,
5 or of the State General Obligation Bond Law, if the Treasurer
6 sells bonds pursuant to this chapter that include a bond counsel
7 opinion to the effect that the interest on the bonds is excluded
8 from gross income for federal tax purposes, subject to designated
9 conditions, the Treasurer may maintain separate accounts for the
10 investment of bond proceeds and for the investment earnings on
11 those proceeds. The Treasurer may use or direct the use of those
12 proceeds or earnings to pay any rebate, penalty, or other payment
13 required under federal law or take any other action with respect
14 to the investment and use of those bond proceeds required or
15 desirable under federal law to maintain the tax-exempt status of
16 those bonds and to obtain any other advantage under federal law
17 on behalf of the funds of this state.

18 105040. For the purposes of carrying out this chapter, the
19 Director of Finance may authorize the withdrawal from the
20 General Fund of an amount not to exceed the amount of the
21 unsold bonds that have been authorized by the State School
22 Building Finance Committee to be sold for the purpose of
23 carrying out this chapter. Any amounts withdrawn shall be
24 deposited in the 2014 State School Facilities Fund consistent
25 with this chapter. Any money made available under this section
26 shall be returned to the General Fund, plus an amount equal to
27 the interest that the money would have earned in the Pooled
28 Money Investment Account, from proceeds received from the
29 sale of bonds for the purpose of carrying out this chapter.

30 105042. All money deposited in the 2014 State School
31 Facilities Fund, that is derived from premium and accrued
32 interest on bonds sold shall be reserved in the fund and shall be
33 available for transfer to the General Fund as a credit to
34 expenditures for bond interest.

35 105044. The bonds may be refunded in accordance with
36 Article 6 (commencing with Section 16780) of Chapter 4 of Part
37 3 of Division 4 of Title 2 of the Government Code, which is a
38 part of the State General Obligation Bond Law. Approval by the
39 voters of the state for the issuance of the bonds described in this
40 chapter includes the approval of the issuance of any bonds issued

1 to refund any bonds originally issued under this chapter or any
2 previously issued refunding bonds.

3 105046. The Legislature hereby finds and declares that,
4 inasmuch as the proceeds from the sale of bonds authorized by
5 this chapter are not “proceeds of taxes” as that term is used in
6 Article XIII B of the California Constitution, the disbursement of
7 these proceeds is not subject to the limitations imposed by that
8 article.

9 SEC. 27. (a) Section 22 of this act shall become effective
10 only upon approval by the voters, at a regularly scheduled
11 election, of the Kindergarten-University Public Education
12 Facilities Bond Act of 2006, as set forth in Section 22 of this act.

13 (b) Section 23 of this act shall become effective only upon
14 approval by the voters, at the November 4, 2008, statewide
15 general election, of the Kindergarten and Grades 1 to 12 Public
16 Education Facilities Bond Act of 2008, as set forth in Section 23
17 of this act.

18 (c) Section 24 of this act shall become effective only upon
19 approval by the voters, at the November 2, 2010, statewide
20 general election, of the Kindergarten-University Public
21 Education Facilities Bond Act of 2010, as set forth in Section 24
22 of this act.

23 (d) Section 25 of this act shall become effective only upon
24 approval by the voters, at the November 6, 2012, statewide
25 general election, of the Kindergarten-University Public
26 Education Facilities Bond Act of 2012, as set forth in Section 25
27 of this act.

28 (e) Section 26 of this act shall become effective only upon
29 approval by the voters, at the November 4, 2014, statewide
30 general election, of the Kindergarten and Grades 1 to 12 Public
31 Education Facilities Bond Act of 2014, as set forth in Section 26
32 of this act.

33 SEC. 28. (a) Notwithstanding any other provision of law,
34 with respect to the Kindergarten-University Public Education
35 Facilities Bond Act of 2006, as set forth in Section 22 of this act,
36 all ballots of a regularly scheduled election shall have printed
37 thereon and in a square thereof, exclusively the words:
38 “Kindergarten-University Public Education Facilities Bond Act
39 of 2006,” and in the same square under those words, the
40 following in 8-point type: “This twelve billion four hundred

1 million dollar (\$12,400,000,000) bond issue will provide funding
 2 for necessary education facilities to relieve overcrowding and to
 3 repair older schools. Funds will be targeted to areas of the
 4 greatest need and must be spent according to strict accountability
 5 measures. Funds will also be used to upgrade and build new
 6 classrooms in the California Community Colleges, the California
 7 State University, and the University of California, to provide
 8 adequate higher education facilities to accommodate the growing
 9 student enrollment. These bonds may be used only for eligible
 10 projects.” Opposite the square, there shall be left spaces in which
 11 the voters may place a cross in the manner required by law to
 12 indicate whether they vote for or against the act.

13 (b) Notwithstanding Sections 13247 and 13281 of the
 14 Elections Code, the language in subdivision (a) shall be the only
 15 language included in the ballot label for the condensed statement
 16 of the ballot title, and the Attorney General shall not supplement,
 17 subtract from, or revise that language, except that the Attorney
 18 General may include the financial impact summary prepared
 19 pursuant to Section 9087 of the Elections Code and Section
 20 88003 of the Government Code. The ballot label is the condensed
 21 statement of the ballot title and the financial impact summary.

22 (c) Where the voting in the election is done by means of
 23 voting machines used pursuant to law in a manner that carries out
 24 the intent of this section, the use of the voting machines and the
 25 expression of the voters’ choice by means thereof are in
 26 compliance with this section.

27 SEC. 29. (a) Notwithstanding any other provision of law,
 28 with respect to the Kindergarten and Grades 1 to 12 Public
 29 Education Facilities Bond Act of 2008, as set forth in Section 23
 30 of this act, all ballots of the November 4, 2008, general statewide
 31 election shall have printed thereon and in a square thereof,
 32 exclusively the words: “Kindergarten and Grades 1 to 12 Public
 33 Education Facilities Bond Act of 2008,” and in the same square
 34 under those words, the following in 8-point type: “This four
 35 billion two hundred million dollar (\$4,200,000,000) bond issue
 36 will provide funding for necessary education facilities to relieve
 37 overcrowding and to repair older schools. Funds will be targeted
 38 to areas of the greatest need and must be spent according to strict
 39 accountability measures. These bonds may be used only for
 40 eligible projects.” Opposite the square, there shall be left spaces

1 in which the voters may place a cross in the manner required by
2 law to indicate whether they vote for or against the act.

3 (b) Notwithstanding Sections 13247 and 13281 of the
4 Elections Code, the language in subdivision (a) shall be the only
5 language included in the ballot label for the condensed statement
6 of the ballot title, and the Attorney General shall not supplement,
7 subtract from, or revise that language, except that the Attorney
8 General may include the financial impact summary prepared
9 pursuant to Section 9087 of the Elections Code and Section
10 88003 of the Government Code. The ballot label is the condensed
11 statement of the ballot title and the financial impact summary.

12 (c) Where the voting in the election is done by means of
13 voting machines used pursuant to law in a manner that carries out
14 the intent of this section, the use of the voting machines and the
15 expression of the voters' choice by means thereof are in
16 compliance with this section.

17 SEC. 30. (a) Notwithstanding any other provision of law,
18 with respect to the Kindergarten-University Public Education
19 Facilities Bond Act of 2010, as set forth in Section 24 of this act,
20 all ballots of the November 2, 2010, general statewide election
21 shall have printed thereon and in a square thereof, exclusively the
22 words: "Kindergarten-University Public Education Facilities
23 Bond Act of 2010," and in the same square under those words,
24 the following in 8-point type: "This seven billion seven hundred
25 million dollar (\$7,700,000,000) bond issue will provide funding
26 for necessary education facilities to relieve overcrowding and to
27 repair older schools. Funds will be targeted to areas of the
28 greatest need and must be spent according to strict accountability
29 measures. Funds will also be used to upgrade and build new
30 classrooms in the California Community Colleges, the California
31 State University, and the University of California, to provide
32 adequate higher education facilities to accommodate the growing
33 student enrollment. These bonds may be used only for eligible
34 projects." Opposite the square, there shall be left spaces in which
35 the voters may place a cross in the manner required by law to
36 indicate whether they vote for or against the act.

37 (b) Notwithstanding Sections 13247 and 13281 of the
38 Elections Code, the language in subdivision (a), shall be the only
39 language included in the ballot label for the condensed statement
40 of the ballot title, and the Attorney General shall not supplement,

1 subtract from, or revise that language, except that the Attorney
2 General may include the financial impact summary prepared
3 pursuant to Section 9087 of the Elections Code and Section
4 88003 of the Government Code. The ballot label is the condensed
5 statement of the ballot title and the financial impact summary.

6 (c) Where the voting in the election is done by means of
7 voting machines used pursuant to law in a manner that carries out
8 the intent of this section, the use of the voting machines and the
9 expression of the voters' choice by means thereof are in
10 compliance with this section.

11 SEC. 31. (a) Notwithstanding any other provision of law,
12 with respect to the Kindergarten-University Public Education
13 Facilities Bond Act of 2012, as set forth in Section 25 of this act,
14 all ballots of the November 6, 2012, general statewide election
15 shall have printed thereon and in a square thereof, exclusively the
16 words: "Kindergarten-University Public Education Facilities
17 Bond Act of 2012," and in the same square under those words,
18 the following in 8-point type: "This eight billion seven hundred
19 million dollar (\$8,700,000,000) bond issue will provide funding
20 for necessary education facilities to relieve overcrowding and to
21 repair older schools. Funds will be targeted to areas of the
22 greatest need and must be spent according to strict accountability
23 measures. Funds will also be used to upgrade and build new
24 classrooms in the California Community Colleges, the California
25 State University, and the University of California, to provide
26 adequate higher education facilities to accommodate the growing
27 student enrollment. These bonds may be used only for eligible
28 projects." Opposite the square, there shall be left spaces in which
29 the voters may place a cross in the manner required by law to
30 indicate whether they vote for or against the act.

31 (b) Notwithstanding Sections 13247 and 13281 of the
32 Elections Code, the language in subdivision (a), shall be the only
33 language included in the ballot label for the condensed statement
34 of the ballot title, and the Attorney General shall not supplement,
35 subtract from, or revise that language, except that the Attorney
36 General may include the financial impact summary prepared
37 pursuant to Section 9087 of the Elections Code and Section
38 88003 of the Government Code. The ballot label is the condensed
39 statement of the ballot title and the financial impact summary.

1 (c) Where the voting in the election is done by means of
2 voting machines used pursuant to law in a manner that carries out
3 the intent of this section, the use of the voting machines and the
4 expression of the voters' choice by means thereof are in
5 compliance with this section.

6 SEC. 32. (a) Notwithstanding any other provision of law,
7 with respect to the Kindergarten and Grades 1 to 12 Public
8 Education Facilities Bond Act of 2014, as set forth in Section 26
9 of this act, all ballots of the November 4, 2014, general statewide
10 election shall have printed thereon and in a square thereof,
11 exclusively the words: "Kindergarten and Grades 1 to 12 Public
12 Education Facilities Bond Act of 2014," and in the same square
13 under those words, the following in 8-point type: "This five
14 billion dollar (\$5,000,000,000) bond issue will provide funding
15 for necessary education facilities to relieve overcrowding and to
16 repair older schools. Funds will be targeted to areas of the
17 greatest need and must be spent according to strict accountability
18 measures. These bonds may be used only for eligible projects."
19 Opposite the square, there shall be left spaces in which the voters
20 may place a cross in the manner required by law to indicate
21 whether they vote for or against the act.

22 (b) Notwithstanding Sections 13247 and 13281 of the
23 Elections Code, the language in subdivision (a), shall be the only
24 language included in the ballot label for the condensed statement
25 of the ballot title, and the Attorney General shall not supplement,
26 subtract from, or revise that language, except that the Attorney
27 General may include the financial impact summary prepared
28 pursuant to Section 9087 of the Elections Code and Section
29 88003 of the Government Code. The ballot label is the condensed
30 statement of the ballot title and the financial impact summary.

31 (c) Where the voting in the election is done by means of
32 voting machines used pursuant to law in a manner that carries out
33 the intent of this section, the use of the voting machines and the
34 expression of the voters' choice by means thereof are in
35 compliance with this section.

36 SEC. 33. This act is an urgency statute necessary for the
37 immediate preservation of the public peace, health, or safety
38 within the meaning of Article IV of the Constitution and shall go
39 into immediate effect. The facts constituting the necessity are:

1 In order to provide adequate school facilities to house the
2 growing pupil population attending the California schools, to
3 renovate existing facilities, to provide for the wiring and cabling
4 of schools for education technology, to provide career technical
5 education facilities, to provide adequate higher education
6 facilities to accommodate the growing number of students, and to
7 ensure that the Kindergarten-University Public Education
8 Facilities Bond Act of 2006 is submitted for approval by the
9 voters at the next regularly scheduled statewide election, it is
10 necessary that this act take effect immediately.

O